

**DATED**

**(1) << Name of Shareholder A >>**

**(2) << Name of Shareholder B >>**

**(the “Existing Shareholders”)**

**(3) << Name of Investor >>**

**(the “Investor”)**

**and**

**(4) << Insert Company Name >>**

**(the “Company”)**

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**SHARE INVESTMENT AGREEMENT  
SHARES FOR SERVICES**

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**THIS AGREEMENT** is made the << day >> day of << month >> << year >>

**BETWEEN:**

- (1) The persons whose names and addresses are set out in Schedule 1 of this Agreement (the “Existing Shareholders”);
- (2) The person whose name and address is set out in Schedule 2 of this Agreement (the “Investor”); and
- (3) <<Name of Company>>, a company incorporated in <<Insert Country of incorporation>> under No. <<Insert Company number>> whose registered office is at <<Insert Registered office of Company>> (the “Company”).

**WHEREAS:**

- A. At all material times the Company is a private limited company and at the date of this Agreement has an issued share capital of << number >> shares of £<< amount >> each, further particulars of which are set out in Schedule 3, Part 1.
- B. At all material times the Existing Shareholders are the registered and beneficial holders of the following number of shares in the Company issued as fully paid:  
  
Shareholder A: <<Insert number of shares owned>>; and  
  
Shareholder B: <<Insert number of shares owned>>.  
  
The Existing Shareholders also manage the affairs of the Company and are directors of the Company.
- C. The Company is in business to <<Insert details/description of business>>.
- D. The Investor has reasonable skill, knowledge and experience in providing <<Insert nature of relevant services, e.g IT services>>.
- E. The Company considers that the Company would benefit from provision of the Services by the Investor.
- F. In consideration of the Investor providing the Services, the Company will in return provide the Investor with Subscription Shares in the Company and this Agreement contains the terms upon which such Investment is to be made (each as defined below).

**IT IS AGREED** as follows:

**1. Definitions and Interpretation**

In this Agreement, unless the context otherwise requires:

<b>Completion</b>	me	agreement by all the Parties to the
<b>Investment</b>	me	the Services by the Investor in co
<b>Services</b>	me	provided by the Investor as set ou
<b>Service Levels</b>	me	els to which the Investor must ad
<b>Service Milestones</b>	me	to be completed and to be us
<b>Service Period</b>	me	sert relevant time period, for ex
<b>Subscription Shares</b>	me	ordinary shares of £<<insert no

- 1.2 Unless the context requires of
- 1.2.1 “writing”, and any communication by similar means;
- 1.2.2 a statute or a provision as amended;
- 1.2.3 “this Agreement” means this Agreement or such other agreement or document as amended, modified or novated from time to time;
- 1.2.4 Clauses and Schedules of and to this Agreement are, unless otherwise stated, to Clauses and Schedules of Sub-clauses and Paragraphs of Sub-clauses or Paragraphs of the Clauses of reference appears.
- 1.3 In this Agreement:
- 1.3.1 “Parties” means the Parties to the Agreement;
- 1.3.2 all agreements which comprise several;

- 1.3.3 any reference to personal representatives, personal representatives, assigns, successors in title and permitted assignees;
- 1.3.4 any reference to any body corporate, unincorporated association or any other legal entity;
- 1.3.5 words importing the plural and vice versa; and
- 1.3.6 words importing the other gender.
- 1.4 Where in this Agreement refers to the Company, the Company agrees to be communicated by or to the Company, the Company agrees to be communicated by or to [either of] OR [any of] the Existing Shareholders;
- 1.5 The headings in this Agreement shall not affect its interpretation only and shall not affect its interpretation
- ## 2. Services
- 2.1 The Investor agrees to provide the Services to the Company and its subsidiaries and affiliates (together the "Services").
- a) <<Describe responsibilities of the Investor in providing the Services and
- b) <<Describe responsibilities of the Investor in providing the Services and
- c) any other such duties as the Parties shall determine,
- (together the "Services").
- 2.2 The Investor agrees to perform the Services to the Company and its subsidiaries and affiliates (together the "Services").
- 2.2.1 on a timely basis and in accordance with the Service Period; and
- 2.2.2 such that the Service Period shall be determined by the Parties.
- 2.3 The Investor agrees to provide the Services to the Company and its subsidiaries and affiliates (together the "Services") with care and skill and to the best of his abilities and in accordance with the industry (the "Service Levels").
- 2.4 In providing the Services, the Investor shall use all reasonable endeavours to promote the interests of the Company and its subsidiaries and affiliates (together the "Services") and shall not be prevented by [ill health or accident], he shall devote [[number] days in each calendar month] OR [at least [number] days in each calendar month] to provide the Services in order to complete the provision of Services during the Service Period and in accordance with Sub-Clause 2.2.2.
- 2.5 The Investor agrees to perform the Services to the Company and its subsidiaries and affiliates (together the "Services") as an independent contractor and not as an employee and nothing in this Agreement shall constitute or be construed to constitute him an employee, worker, agent or partner of the Company and he shall not hold himself out as such.
- 2.6 If the Investor is unable to provide the Services to the Company and its subsidiaries and affiliates (together the "Services") due to [ill health or injury], he shall notify the Company [promptly] OR [as soon as practicable].
- 2.7 The Investor shall comply with the Service Period in place from time to time during the course of providing the Services to the Company and its subsidiaries and affiliates (together the "Services").
- 2.8 The Investor shall ensure that the Services to the Company and its subsidiaries and affiliates (together the "Services") are provided on reasonable notice to the Company and its subsidiaries and affiliates (together the "Services") as the Company may require.

- 2.9 In providing the Services, the Investor shall follow all reasonable instructions or directions given by the Company.
- 2.10 The Investor shall have no authority (or authority to bind the Company in writing).

### 3. Fees and Expenses

- 3.1 The Investor agrees and acknowledges that the performance of the Services by the Investor to perform the Services shall be in accordance with the Company's Shares in accordance with the Company's Shares.

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- 3.2 [Notwithstanding Clause 3.1 and the following expenses incurred by the Investor in providing the Services, the Company shall reimburse the Investor for the following expenses incurred by the Investor in providing the Services, provided that:
- a) <<List type of expenses to be reimbursed for>>; and
  - b) <<List type of expenses to be reimbursed for>>, to the extent that the expenses were properly and necessarily incurred by the Investor in providing the Services, provided that:
    - (1) the amount of the expenses shall be the amount that the Investor shall be reimbursed for; and
    - (2) such expenses shall be reimbursed on the production of receipts or other evidence.

#### OR

- [The Investor shall be reimbursed by the Company for the expenses incurred by him in relation to the provision of the Services.]
- 3.3 For the avoidance of doubt, the Investor shall not be entitled to any fee or compensation other than that provided for in this Agreement, and the Investor shall not be entitled to any fee or compensation other than that provided for in this Agreement in accordance with the Company's Shares.

### 4. Subscription Shares and Completion

- 4.1 In consideration of the Investor's agreement to subscribe for and issue the Subscription Shares, the Company agrees to allot and issue the Subscription Shares to the Investor.
- 4.2 Completion shall take place for the Subscription Shares and correctly carried out with the Investor's agreement to the agreed Service Levels and such other conditions as may be agreed between the Investor and the Company.
- 4.3 Immediately prior to Completion, the Investor shall produce to the Company such evidence as it may reasonably require to satisfy the Company that the Services have been fully and correctly provided.

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4.4 Completion shall then take place at such place as the Parties may agree. Completion shall comprise the following:

- a) the Investor shall provide the Subscription Shares, the consideration for which has already been satisfied;
- b) the Company shall issue the Subscription Shares;
- c) the Company shall execute a certificate to the Investor for his share of the Investment in the name of the Investor in the Company's share register. The Investor confirms that he shall take the Subscription Shares subject to the rights and subject to the restrictions set out in the Memorandum and Articles.

4.5 The Parties consent to the issue of the Subscription Shares that may be subscribed for pursuant to this Agreement to procure the waiver of any rights or restrictions which might prevent any such issue.

4.6 The shareholdings in the Company shall be as set out in Part 2 of Schedule 3.

4.7 Following Completion, the Parties shall have faith discussions with a view to regulating their on-going relationship and the workings of the Company for a period of < 2 months of Completion>.

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## 5. Other Activities

5.1 The Investor may at any time be engaged, employed, concerned or interested in any other business or other activity which does not place him in a conflict of interest with the Company. Notwithstanding any early termination of the Services pursuant to Sub-Clauses 9(b) or (c), the Investor may not without the prior written consent of the Company, during the Service Period [and for [six] months thereafter], be engaged, employed, concerned or interested in any other business, trade, profession or other activity in a capacity which is in all material aspects as that of the Investor (as provider of the Services to the Company) or that of the Investor (as a competitor, with the business of the Company).

5.2 The Parties consider the undertakings in Clause 5.1 to be reasonable and fair for the purpose of protecting the interests of the Company until such time as the Parties enter into a new agreement pursuant to Clause 4.7 or agree any variation of the terms of the Agreement.

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## 6. Confidential Information

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<sup>1</sup> This period may not be suitable where the Investor is or was or is to be or is to become a director or substantial shareholder in the Company. It may in this scenario, be more prudent to extend the period to the longer of the end of the Service Period or the Investor ceasing to be a director or substantial shareholder in the Company. Legal advice should be sought in relation to changing the service period.

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6.1 The Investor shall not at any time disclose to any person any confidential information about the business of the Company or any of its business contacts, or about any other confidential information which may come to his knowledge during the Service Period. For the purposes of this Clause 6, confidential information means any information which is not in the public domain and which relates to the affairs of the Company or its business contacts.

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6.2 The restriction in Clause 6.1 does not apply to information which is disclosed by the Company or as required by law; or to any information which comes into the public domain otherwise than through breach of Clause 6.1; or to any information disclosed by the Parties that otherwise complies with Clause 6.1 and all of the terms of the shareholders agreement entered into pursuant to the terms of the shareholders agreement.

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## 7. Data Protection

The Investor hereby expressly authorises the Company to hold and process any "personal data" as defined in the Data Protection Legislation relating to him and any other data relating to him, in connection with the Company's business, appropriate for legal, personnel, administrative and management purposes. "Data Protection Legislation" means (1) the Data Protection Act 1998 (as amended) and (2) the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR") and any national law implementing the GDPR and any national law implementing the GDPR (as amended from time to time) in the UK and subsequent legislation which succeeds the GDPR.

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## 8. Intellectual Property

- 8.1 The Investor hereby assigns to the Company (and its successors and assigns) all existing and future intellectual property rights (including but not limited to patents, trademarks, trade secrets, copyright and related rights) and inventions (including but not limited to patents, trademarks, trade secrets, copyright and related rights) of the Investor. The Investor agrees to execute all documents and take all actions as may, in the opinion of the Company, be necessary to give effect to this assignment.
- 8.2 To the extent that the Investor or the Company (or any of their subsidiaries or affiliates) presently or in the future) any intellectual property rights that the Investor hereby grants or assigns to the Company (or any of their subsidiaries or affiliates) shall be deemed to be assigned to the Company (or any of their subsidiaries or affiliates) by the Investor hereby grants or assigns, royalty-free, irrevocable, exclusive (except to the extent necessary to enable the Company to exercise its right to sublicense) to, without limitation, use, sell, import, export, distribute, and otherwise exploit in any form, products, software, hardware, and services, and all such Related Rights, to the extent necessary to enable the Company to exercise all of the rights assigned to the Company under this Agreement.
- 8.3 The Investor hereby irrevocably and exclusively assigns to the Company (or any of its subsidiaries or affiliates) all rights under the Copyright, Designs and Patents Act 1988 (and any amendments thereto) which he has or may have in any existing or future intellectual property rights.

## 9. Termination

The Company may at any time terminate this Agreement if the Investor fails to make any payment of fees or compensation or other payment to the Company within the time specified or incurred, as provided by Clause 8.1.

- a) a majority of the members of the Board of Directors of the Company shall deem it advisable in the circumstances to do so;
- b) the Investor is in material breach of his obligations under this Agreement; or
- c) other than as a result of the Investor wilfully neglecting to provide the Services.
- After notice in writing, the Company may terminate this Agreement and the Investor shall be liable to remedy any default in the performance of the Services provided by the Investor.

## 10. Obligations on Termination

All Company property in the Investor's possession, custody or control, including all documents obtained by him in connection with the Services, if any, shall be returned to the Company at the time of termination or completion of the Services. The Investor also undertakes to irretrievably delete any information stored on any magnetic or optical storage devices or other sources which is in his possession, custody or control outside the premises of the Company.

## 11. Status

This Agreement is personal to the Investor and he may not assign any of its rights or obligations hereunder, except in accordance with the terms of this Agreement.



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## 12. General

For the avoidance of doubt, no part of this Agreement shall confer on any third party any benefit or the right to enforce the Agreement.

## 13. Entire Agreement

This Agreement and the documents referred to herein contain the entire agreement between the Parties and supersede all previous agreements and understandings between the Parties.

## 14. Counterparts

This Agreement may be executed in multiple counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

## 15. No Partnership

This Agreement shall not be construed to create a partnership or joint venture between any of the Parties.

## 16. Miscellaneous

16.1 Any amendment, alteration or modification to this Agreement is only valid if it is in writing and signed by the signatories.

16.2 The signatories agree to sign and execute the documents necessary to put this Agreement into effect.

## 17. Disputes

17.1 The Parties shall attempt to resolve any dispute arising out of or relating to this Agreement through negotiations conducted by their appointed representatives who have the authority to settle the dispute.

17.2 [If negotiations under sub-Clause 17.1 fail, the Parties will attempt to resolve the matter within <<insert period>> of receipt of a written notice from the Party initiating the Alternative Dispute Resolution ("ADR") procedure.]

17.3 [If the ADR procedure under sub-Clause 17.2 fails to resolve the matter within <<insert period>> of the initiation of the procedure, or if any Party will not participate in the ADR procedure, the dispute shall be referred to arbitration by either Party.]

17.4 The seat of the arbitration under this Clause shall be England and Wales. The arbitration shall be governed by the Arbitration Act 1996 and Rules for Arbitration as published by the International Arbitration Centre. If the Parties are unable to agree on the appointment of an arbitrator, the President of the Chartered Institute of Arbitrators may, upon giving written notice to the other Party, apply to the President for the time being of the Chartered Institute of Arbitrators for the appointment of an arbitrator or arbitrators and for any decision required.]

17.5 Nothing in this Clause 17 shall prevent a Party from applying to a court for interim injunctive relief.

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17.6 The Parties hereby agree that the outcome of the final method of dispute resolution under this Agreement shall be final and binding on all Parties.

**18. Governing Law and Jurisdiction**

18.1 This Agreement (including all matters and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of England and Wales.

18.2 Subject to the provisions of Clause 18.1, all disputes, controversy, proceedings or claims (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the [exclusive] jurisdiction of the courts of England and Wales.

The Parties or their authorised representatives have signed this Agreement as a deed and this Agreement is delivered on the date of the signing of this Agreement.

**Signed as a Deed by [Shareholder A]**

.....  
[Full Name]

In the presence of [Witness]

Witness's Signature .....

Name .....

Address .....

Occupation .....

**Signed as a Deed by [Shareholder B]**

.....  
[Full Name]

In the presence of [Witness]

Witness's Signature .....

Name .....

Address .....

Occupation .....

**Signed as a Deed by [*Investor*]**

.....  
[Full Name]

In the presence of [*Witness*]

Witness's Signature .....

Name .....

Address .....

Occupation .....

**Signed as a Deed by [*the Company*]**

Acting by [*Names of two directors/dire*]

.....  
[Director]

.....  
[Director/Secretary]

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isting Shareholding

Name and Address

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Name and Address	Number of Shares at £● per share to be issued at Completion <sup>2</sup>
Total	

<sup>2</sup> This agreement assumes that the par/nominal value of the shares having been satisfied by the provision of the S

as £0.01, with the consideration for the sh.

**Part 1 – Particulars of the Company (to be completed before Completion)**

Name:	
Registered Office:	
Directors:	
[Secretary]:	
Registered Number:	
Date of Incorporation:	
[Authorised Share Capital]:	
Issued Share Capital:	
Accounting Reference Date:	

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Part 2 – Post-Completion Shareholdings

Member	Ordinary Shares	Percentage of equity share capital held (%)
[Shareholder A]		
[Shareholder B]		
[Investor]		
Total		

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Service Milestones

These Service Milestones are all of the key milestones to be completed and the respective periods in which each of the milestones will be used by the Company to determine whether the provision of the Services is progressing satisfactorily and whether the Services are fully delivered within the Service Period.

to be completed and the milestones achieved, and these Service Milestones will be used by the Company to determine whether the provision of the Services are fully delivered within the Service Period.

Approximate time following: <<insert date of Agreement>>	Achievement
<<insert period, e.g. 3 months>>	<<insert target/achievement>>
<<insert period, e.g. 6 months>>	<<insert target/achievement>>
<<insert period, e.g. 12 months>>	<<insert target/achievement>>

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