

**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:

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**Completion**                    me                    agreement by all the Parties to the                    ce with Clause 4;

**Investment**                    me                    e Services by the Investor in co                    ription Shares;

**Services**                    me                    rovided by the Investor as set ou

**Service Levels**                    me                    els to which the Investor must ad                    vices as set out in Clause 2.3;

**Service Milestones**                    me                    k to be completed and to be us                    to the Services, as set out in So

**Service Period**                    me                    sert relevant time period, for ex                    m the date of this agreement; an

**Subscription Shares**                    me                    dinary shares of £<<insert no                    opposite the Investor's name in                    scribed for by the Investor in ac

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- 1.2 Unless the context requires of                    in this Agreement to:
  - 1.2.1 "writing", and an                    includes a reference to any communication                    mile transmission, email or similar means;
  - 1.2.2 a statute or a p                    a reference to that statute or provision as ame                    e relevant time;
  - 1.2.3 "this Agreement"                    ent or document referred to in this Agreement                    or such other agreement or document as an                    mented, modified or novated from time to time                    ules; and
  - 1.2.4 Clauses and Sc                    to Clauses and Schedules of and to this Agree                    Sub-clauses and Paragraphs are, unless other                    o Sub-clauses or Paragraphs of the Clauses o                    reference appears.

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- 1.3 In this Agreement:
  - 1.3.1 "Parties" means                    ment;
  - 1.3.2 all agreements                    he Parties to the Agreement which comprise                    or entity shall be joint and several;

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- 1.3.3 any reference to personal representatives, personal representatives, assigns or assignees; reference to their respective 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.

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- 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**

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- 2.1 The Investor agrees to provide the following services:
  - a) <<Describe responsibilities>>
  - b) <<Describe responsibilities>> and
  - c) any other such duties as the Parties shall determine,
 (together the "Services").

- 2.2 The Investor agrees to perform the Services
  - 2.2.1 on a timely basis and in accordance with the Service Period; and
  - 2.2.2 such that the Service Member shall be available to provide the Services

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- 2.3 The Investor agrees to provide the Services with the care and skill and to the best of his abilities and in accordance with the professional quality standards in his industry (the "Service Levels")

- 2.4 In providing the Services, the Investor shall make all reasonable endeavours to promote the interests of the Company, unless 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.

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- 2.5 The Investor agrees to perform the Services as an independent contractor and not as an employee and nothing in this Agreement shall render him an employee, worker, agent or partner of the Company. The Investor shall not hold himself out as such.

- 2.6 If the Investor is unable to provide 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 Company's policies in place from time to time during the course of providing the Services.

- 2.8 The Investor shall ensure that the Company is kept informed on reasonable notice to provide assistance or information as the Company may require.

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

- a) the Investor shall pay the consideration for the Subscription Shares;
- b) the Company shall issue the Subscription Shares;
- c) the Company shall execute a certificate to the Investor for his share of the Subscription Shares in the Company's share register, subject to the restrictions set out in Clause 4.7.

of the Company or at such other place as the Parties may agree. Completion shall

the Subscription Shares, the consideration for which has already been satisfied;

Subscription Shares;

ificate to the Investor for his share of the Subscription Shares in the Company's share register, subject to the restrictions set out in Clause 4.7.

4.5 The Parties consent to the issue of the Subscription Shares for pursuant to this Agreement notwithstanding any rights or restrictions which might otherwise apply and to prevent any such issue.

Shares that may be subscribed for pursuant to this Agreement notwithstanding any rights or restrictions which might otherwise apply and to prevent any such issue.

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

shall be as set out in Part 2 of Schedule 3.

4.7 Following Completion, the Parties shall continue to cooperate in good faith discussions with a view to executing a formal shareholders' agreement to regulate 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 any capacity which is in all material aspects in competition with the business of the Company as that of the Investor (as provider of the Services to the Company) or that of the Company (as provider of the Services to the Company).

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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 shareholders' agreement pursuant to Clause 4.7 or agree any variation of the terms of Clause 5.1.

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**6. Confidential Information**

<sup>1</sup> This period may not be suitable where the Investor is or was 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 terms of Clause 5.1.

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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.

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.

6.2 The restriction in Clause 6.1 does not apply to:

- a) disclosure to any use or disclosure required by law;
- b) disclosure to any information which comes into the public domain otherwise than through the breach of Clause 6.1; or
- c) disclosure if and when the information becomes known by the Parties that other than through the breach of Clause 6.1 and all of the terms of the confidentiality provisions of the shareholders agreement that express agreement entered into pursuant to the shareholders agreement.

disclosure to any use or disclosure required by law; disclosure to any information which comes into the public domain otherwise than through the breach of Clause 6.1; or disclosure if and when the information becomes known by the Parties that other than through the breach of Clause 6.1 and all of the terms of the confidentiality provisions of the shareholders agreement entered into pursuant to 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 Act 1998 and any other data relating to him, in connection with the Company's administrative and management functions. For the purposes of this Clause 7, "Data Protection Legislation" means (1) the Data Protection Act 1998 (as amended from time to time) in the UK and subsequent

holding and processing any "personal data" as defined in the Data Protection Act 1998 and any other data relating to him, in connection with the Company's administrative and management functions. For the purposes of this Clause 7, "Data Protection Legislation" means (1) the Data Protection Act 1998 (as amended from time to time) in the UK and subsequent

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**8. Intellectual Property**

8.1 The Investor hereby assigns to the Company (including all its subsidiaries and affiliates) all existing and future intellectual property rights (including but not limited to patents, trademarks, trade secrets, know-how, inventions, designs, and related rights) and inventions (including but not limited to patents, trademarks, trade secrets, know-how, inventions, designs, and related rights) and inventions (including but not limited to patents, trademarks, trade secrets, know-how, inventions, designs, and related rights) promptly to execute all documents (including but not limited to patents, trademarks, trade secrets, know-how, inventions, designs, and related rights) as may, in the opinion of the Company, be necessary to give effect to this Agreement.

8.2 To the extent that the Investor (including all its subsidiaries and affiliates) presently or in the future) any intellectual property rights that the Company under this Agreement will cause to be granted to the Company (including all its subsidiaries and affiliates) perpetual, transferable, worldwide, non-exclusive, royalty-free, irrevocable, and non-sublicensable (without limitation, use, sell, import, export, distribute, and otherwise use) all of the rights assigned to the Company under this Agreement.

8.3 The Investor hereby irrevocably and exclusively assigns to the Company (including all its subsidiaries and affiliates) all of the rights assigned to the Company under the Copyright, Designs and Patents Act 1988 (and any amendments thereto) which he has or will have in any existing or future works of authorship.

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**9. Termination**

The Company may at any time terminate this Agreement if the Investor with immediate effect fails to make any payment of fees or compensation or other payments due to the Company (including all its subsidiaries and affiliates) incurred, as provided by Clause 8.1.

- a) a majority of the members of the Board of Directors of the Company deem it advisable in the circumstances;
- 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.

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**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 Completion or termination in accordance with this Agreement. The Investor also undertakes to irretrievably delete any information stored on any magnetic or optical data storage devices or other sources which is in his possession, custody or control outside the premises of the Company.

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**11. Status**

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

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

...come of the final method of dispute resolution shall be final and binding on all Parties.

**18. Governing Law and Jurisdiction**

18.1 This Agreement (including any amendments and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of [jurisdiction].

...terms and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of [jurisdiction].

18.2 Subject to the provisions of Clause 18.1, any controversy, proceedings or claim between the Parties relating to or arising out of this Agreement (including matters and obligations arising therefrom or associated therewith) shall fall within the [exclusive] jurisdiction of the courts of [jurisdiction].

...controversy, proceedings or claim between the Parties relating to or arising out of this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the [exclusive] jurisdiction of the courts of [jurisdiction].

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

...ed this Agreement as a deed and this Agreement is delivered on the date stated above.

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

.....  
[Full Name]

In the presence of [*Witness*]

Witness's Signature .....

Name .....

Address .....

Occupation .....

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

.....  
[Full Name]

In the presence of [*Witness*]

Witness's Signature .....

Name .....

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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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Name and Address		isting Shareholding
Total		

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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 C

(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

ings

Member	Ord	percentage of equity share capital held (%)
[Shareholder A]		
[Shareholder B]		
[Investor]		
<b>Total</b>		

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**Service Milestones**

These Service Milestones are all of the milestones to be completed and the respective periods in which each of the milestones is to be achieved, and these Service 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 are to be achieved, and these Service 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.

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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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