**Consultancy Agreement Template**

To: **[INDIVIDUAL’S FULL NAME AND ADDRESS]**

**OR**

To: **[CONSULTANCY NAME, BUSINESS ADDRESS AND TAX IDENTIFICATION NUMBER]**

## Consultancy Agreement

This letter (the "Agreement") records our agreement with you in relation to consultancy services provided by you to **[COMPANY NAME]** (“**[COMPANY NAME]**”, the “Company”).

**Please counter-sign at the end of this letter.**

## **1. DEFINITIONS**

In this Agreement, unless the context requires otherwise:

“**Approved Expenses”** means the expenses which the Consultant is permitted to claim without prior approval described in Schedule Two.

“**Business Property”** means:

(a) all Materials (whatever format and wherever located), including copies, relating to the business, customers, products, finances or affairs of the Company provided to or produced, maintained or stored by the Consultant in connection with the Project and/or delivery of the Services (excluding the Consultant's own records necessary for legal and accounting compliance); and

(b) all Equipment provided to the Consultant by or on behalf of the Company, and any Equipment produced by the Consultant, including prototypes, in connection with the Project and/or delivery of the Services.

“**Confidential Information”** means all information of a confidential nature (in whatever format and wherever located), including copies, whether created before or after the date of this Agreement and whether marked "confidential" or not, including the Business Property and any Invention.

“**Consultant”** means **[INDIVIDUAL’S FULL NAME AND ADDRESS]**

**OR**

“**Consultant”** means **[CONSULTANCY NAME AND BUSINESS ADDRESS]**

“**Created Works”** means any and all works created by or on behalf of the Consultant in connection with the Project and/or delivery of the services including any created Business Property (in all cases including source code).

“**Data Protection Laws”** means the United Kingdom General Data Protection Regulation, the Data Protection Act 2018 and all other mandatory laws and regulations of the United Kingdom which are applicable to the parties’ Processing of Personal Data under this Agreement.

“**Equipment”** means any equipment including access passes, consumables, devices, hardware, keys, machinery, software and tools.

“**European Economic Area”** means the area in which the agreement on the European Economic Area provides for the free movement of persons, goods, services and capital within the European Single Market including all countries that have ratified the EEA agreement.

“**Fees”** means the fees for the Services described in Schedule Two

“**Intellectual Property Rights”** means rights to inventions, copyright and related rights, moral rights, patent rights, trademarks, design right, rights in or to databases, rights in or relating to confidential information, rights in relation to domain names and trade names, and all other industrial, commercial or intellectual property rights (whether registered or unregistered) throughout the world and all similar or equivalent rights or forms of protection which exist now or may exist in the future.

“**Invention”** means any invention, idea, discovery and improvements, whether or not patentable, and whether or not recorded in any medium made by the Consultant in connection with the provision of the Services.

“**Materials”** means any materials including artwork, books, correspondence, databases, designs, diagrams, documents, information, manuals, papers, pitches, plans, records, reports, research, software and specifications.

“**Moral Rights”** means any moral rights including the right to be identified, the right of integrity and the right against false attribution.

“**Project”** means the project described in Schedule Two.

“**Services”** means the services of the Consultant to deliver the Project, including those described in Schedule Two.

The terms "holding company", "subsidiary", "parent undertaking", "subsidiary undertaking" and "wholly-owned subsidiary" will be interpreted in accordance with the Companies Act 2006, and the term "associated company" will be interpreted in accordance with section 449 of the Corporation Tax Act 2010.

The interpretation of general words will not be restricted by words indicating a particular class or particular examples.

## 2. PERIOD OF SERVICES

The Consultant will provide the Services to the Company from **[DATE]** unless and until terminated by either the Consultant or the Company giving the other not less than **[NUMBER]** days notice or otherwise terminated in accordance with the terms of this Agreement.

## 3. DUTIES WHEN PROVIDING SERVICES

The Consultant will provide the Services in accordance with this Agreement and will:

(a) apply such time, attention, resources and skill as may be necessary for the due and proper performance of the Services to the standard to be expected of an expert supplier of services similar to the Services;

(b) ensure that, when providing the Services, the Consultant does not interfere with the activities of the Company, its employees, agents, suppliers or customers except as reasonably necessary to carry out the Services;

(c) ensure that all written Materials given by the Consultant to the Company are or were accurate when given, and remain accurate and comprehensive in all material respects;

(d) act in the Company's best interests and avoid conflicts of interest and promptly notify the Company of any conflict of interest which arises; and

(e) comply with all applicable laws and Company policies and procedures from time to time insofar as they are relevant to the Services, including all relevant security and code of conduct policies.

Unless they have been specifically authorised to do so by a director of the Company in writing, the Consultant will not have any authority to incur any expenditure in the name of or for the account of the Company nor hold themselves out as having authority to bind the Company. With prior written approval by a director of the Company, the Consultant may appoint a suitably qualified substitute to perform the Services on the Consultant's behalf (**“Substitute”**), in which case, before performing any part of the Services, Substitute must enter into direct undertakings with the Company, including with regard to confidentiality and intellectual property rights. All the duties and obligations on the Consultant will apply to Substitute, and the Consultant will continue to be subject to all duties and obligations under this Agreement for the duration of the appointment of the Substitute. The Company will continue to pay the Consultant as set out in section 4 below and the Consultant will be responsible for all payments to Substitute. If the Consultant is unable to provide the Services due to illness or injury, the Consultant must advise the Company as soon as reasonably practicable, and the Company will adjust the Fees payable under section 4 to take account of any period the Consultant or Substitute is unable to provide the Services.

## 4. FEES AND EXPENSES

Provided the Services are performed in accordance with this Agreement, the Company will pay the Consultant the Fees and Approved Expenses.

The Consultant will submit an invoice with all information necessary to evidence that the Services have been provided in accordance with this Agreement and the corresponding amount payable (plus VAT, if applicable).
The Company will pay each valid invoice submitted by the Consultant within **[NUMBER]** days of receipt. The Company will reimburse the Approved Expenses subject to production of receipts or other appropriate evidence of payment.

The Company will also reimburse all other reasonable expenses properly and necessarily incurred by the Consultant in the course of the Services, subject to production of receipts or other appropriate evidence of payment and compliance with the Company's expenses policy (including any applicable prior approval rules).

Payment in full or in part of the Fees (or any other sums) claimed under section 4 will be without prejudice to any claims or rights of the Company against the Consultant in respect of the provision of the Services.

## **5. EQUITY**

You are being granted an option to acquire shares in the Company.

The terms associated with this option are set out in Schedule One.

## 6. OTHER ACTIVITIES

Nothing in this Agreement will prevent the Consultant from being engaged, concerned or having any financial interest in any capacity in any other business, trade, profession or occupation during the period of the Services provided that:

(a) such activity does not cause a breach of any of the Consultant's obligations under this Agreement;

(b) The Consultant will not engage in any such activity if it relates to a business that is similar to or in any way competitive with the business of the Company in connection with services connected to a project similar to the Project without the prior written consent of a director of the Company.

## 7. ASSIGNMENT AND INVENTIONS

All Intellectual Property Rights in the Created Works and the Inventions will vest in the Company upon payment of the associated invoice and all right, title and interest to the Created Works and the Inventions and Intellectual Property Rights therein anywhere in the world will be the property of the Company.

The Consultant hereby absolutely and with full title guarantee assigns to the Company, by way of present assignment of present and future rights, title and interest, all Intellectual Property Rights in and to any and all Created Works and Inventions (**“Assigned Rights”**).

This assignment includes the right to bring and defend any claim or cause of action arising from ownership of any of the Assigned Rights whether occurring before, on or after the date of this Agreement. Insofar as they do not vest automatically by operation of law or under this assignment, the Consultant holds legal title in these Intellectual Property Rights, Created Works and Inventions on trust for the Company.

To the extent that any future Assigned Rights can be assigned under this section, they are so assigned. To the extent that they cannot by operation of law be so assigned, the Consultant agrees to assign them to the Company on their coming into existence.

The Consultant will notify the Company in writing of all Inventions promptly on their creation.

The Consultant will whenever requested to do so by the Company and in any event on the termination of this Agreement, promptly deliver to the Company all Equipment and Materials recording or relating to any part of the Created Works and the process of their creation which are in their possession, custody or power (excluding Equipment and Materials used by the Consultant in the ordinary course of their business).

The Consultant will not register or attempt to register any of the Intellectual Property Rights in the Created Works, nor any of the Inventions, unless requested to do so in writing by a director of the Company.

The Consultant agrees at the Company's cost to do all things which are necessary or desirable for the Company to obtain for itself or its nominees the full benefit of this assignment.

## 8. NON-INFRINGEMENT

The Consultant represents, warrants and undertakes that:

(a) only the Consultant will undertake the services to create any Created Works (and if anyone else does, the Consultant will obtain equivalent assignment(s) to this Agreement);

(b) none of the Created Works will copy wholly or substantially from any other work or material and the use or exploitation of the Created Works will not in any way violate or infringe any rights of any third party;

(c) where any Created Works contain licensed Equipment or Materials, such licenses will be either (i) on an open-source basis or (ii) on a worldwide, perpetual, irrevocable and royalty-free basis, and in each case will allow the Company to use and commercialise any Created Works on an uninhibited and world-wide commercial basis;

(d) there are no claims (actual or threatened) that the Created Works or any part of them infringe the Intellectual Property Rights of any third party; and

(e) The Consultant is entitled to enter into this Agreement and has not previously assigned any of the Assigned Rights or granted any licence to any of the Assigned Rights to any third party or given any permission to any third party to use any of the Assigned Rights and the Consultant is unaware of any use by any third party of the Created Works.

## 9. MORAL RIGHTS

The Consultant waives absolutely and irrevocably any Moral Rights in any of the Assigned Rights.

## 10. CONFIDENTIAL INFORMATION AND BUSINESS PROPERTY

All Business Property remains the property of the Company. The Consultant will not (except in the proper course of their duties), either during the term of this Agreement or at any time afterwards, use or disclose to any third party (and will use their best endeavours to prevent the publication and disclosure of) any Confidential Information. This restriction does not apply to:

(a) any use or disclosure authorised by the Company or as required by law; or

(b) any information which is already in, or comes into, the public domain otherwise than through the Consultant's unauthorised disclosure.

The Consultant will promptly on request return to the Company all and any Business Property in their possession and/or control.

## 11. DATA PROTECTION

The Consultant consents to the Company holding and processing data relating to the Consultant for legal, personnel, administrative and management purposes and in particular to the processing of any Special Category Personal Data as defined in Data Protection Laws relating to the Consultant including but not limited to:

(a) information on racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation;

(b) information relating to any criminal proceedings in which the Consultant has been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

The Consultant consents to the Company making such information available to the Company, regulatory authorities, governmental or quasi-governmental organisations and potential purchasers of the Company or any part of its business.

The Consultant consents to the transfer of such information to the Company's business contacts outside the European Economic Area in order to further its business interests.

The Consultant will comply with the Company's data protection policy when processing personal data relating to any employee, worker, customer, client, supplier or agent of the Company.

**12. TERMINATION**

Notwithstanding section 2, the Company may terminate this Agreement with immediate effect without notice and without any liability to make any further payment to the Consultant (other than in respect of amounts accrued before the termination date) if at any time:

(a) The Consultant commits any gross misconduct affecting the business of the Company;

(b) The Consultant commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Company;

(c) The Consultant is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed);

(d) The Consultant is, in the reasonable opinion of the Company, negligent or incompetent in the performance of the Services;

(e) The Consultant makes any arrangement with or for the benefit of their creditors or is declared bankrupt or has a county court administration order made against them under the County Court Act 1984;

(f) The Consultant commits any fraud or dishonesty or acts in any manner which in the reasonable opinion of the Company brings or is likely to bring the Consultant or the Company into disrepute or is materially adverse to the interests of the Company; or

(g) The Consultant commits a serious breach of the policies and procedures of the Company.

The rights of the Company under this section 12 are without prejudice to any other rights that it might have at law.

## 13. OBLIGATIONS ON TERMINATION

The Consultant will immediately return any Business Property.

The Consultant will irretrievably delete any information relating to the business of the Company stored on any magnetic or optical disk or memory, and all matter derived from such sources which are in the Consultant's possession or under the Consultant's control outside the premises or computer systems of the Company.

Upon completion, the Consultant will provide a signed statement that they have complied fully with their obligations under section 13.

If reasonably requested by the Company for **[NUMBER]** days following the end of the Services for whatever reason, the Consultant will at their cost

(a) provide all reasonable assistance to the Company to ensure an orderly handover of the Services to a successor contractor or employee; and

(b) ensure that the handover is carried out with the minimum inconvenience and disruption to the Company and its business.

## 14. POST-TERMINATION RESTRICTION

By countersignature of this Agreement and in consideration for the fees payable to you under the terms of this Agreement, you agree that, in order to protect the confidential information, trade secrets and business connections of the Company to which you have access as a result of your appointment, you will not (without the previous consent in writing of the Company), during the term of this Agreement and for the period of **[NUMBER]** months immediately after the termination of this Agreement, whether as principal or agent and whether alone or jointly with any other person, or as a director, manager, partner, shareholder, employee or consultant of, carry on or be engaged, concerned or interested in any business which is (or intends to be) in competition with any business being carried on by the Company.

## 15. STATUS

The Consultant will be an independent contractor and nothing in this Agreement will render the Consultant an employee, worker, agent or partner of the Company and the Consultant will not hold themselves out as such.

The Consultant confirms that they will be personally fully responsible for

(a) any taxation whatsoever arising from or made in connection with the performance of the Services, where such recovery is not prohibited by law; and

(b) any employment-related claim or any claim based on worker status (including reasonable costs and expenses) brought by the Consultant or any Substitute against the Company arising out of or in connection with the provision of the Services, except where such claim is as a result of any act or omission of the Company.

## 16. NOTICES

(a) Any notice or other communication given to a party under or in connection with this Agreement will be in writing and will be delivered by hand or sent by email to the other party’s email address as notified from time to time.

(b) Any notice or communication will be deemed to have been received:

(i) if delivered personally, at the time of delivery;

(ii) if sent by email, 1 hour after the time sent unless the sender received an automated message that the email has not been delivered.

(c) This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

## 17. ENTIRE AGREEMENT AND PRE-CONTRACTUAL STATEMENTS

This Agreement is the entire agreement between the Consultant and the Company relating to the Services and each agrees that:

(a) (unless specifically stated otherwise) they supersede any previous agreement or understanding relating to them;

(b) in entering into this Agreement neither the Consultant nor the Company has relied on any pre-contractual statement; and

(c) the only remedy available to it/them or arising out of or in connection with any pre-contractual statement will be for breach of contract.

Nothing in this Agreement will, however, operate to limit or exclude any liability for fraud.

## 18. THIRD PARTY RIGHTS

Except as expressly provided elsewhere in this Agreement, a person who is not a party to this Agreement will not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This does not affect any right or remedy of a third party that exists or is available apart from that Act.

The rights of the parties to terminate, rescind or agree on any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

**GENERAL**

This Agreement may only be varied by a document signed by both the Consultant and the Company (or their authorised representatives).

No failure or delay by the Consultant and the Company to exercise any right or remedy, or any partial exercise of any right or remedy, under this Agreement will waive that or any other right or remedy.

The validity, construction and performance of this Agreement will be governed by and construed in accordance with the laws of England and Wales and each of the Consultant and the Company irrevocably agree to submit to the exclusive jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with this Agreement.

**SCHEDULE ONE**

**EQUITY INCENTIVE PLAN**

You are hereby granted an option to acquire Ordinary shares in the Company of £**[NUMBER]** nominal value representing **[NUMBER]**% of the Company equity as of the date of this agreement at an exercise price of £ **[NUMBER]** per share, as adjusted to take into account any subdivision or consolidation of shares.

The option will vest from the date of this agreement under a vesting schedule as follows:

* a proportion of the option corresponding to **[NUMBER]**% of the shares under option has already vested,
* the remainder of the option will vest in equal tranches every month over a period of **[NUMBER]** years or until your service to the Company terminates,
* with a **[NUMBER]** months cliff before the first tranche vests,
* such that at the end of the **[NUMBER]** year vesting period the entire option will have vested.

Each vested portion of the option may be exercised from the day it is vested until the earlier of:

(i) your becoming a Bad Leaver, as defined below; and

(ii) the expiry of **[NUMBER]** years of the date it is fully vested.

After this time, the option will lapse.

This option may be exercised by giving an exercise notice to any director of the company. Such notice must be in writing (which includes email), signed by you and accompanied by proof of payment to the Company of the aggregate exercise price for all shares in respect to which the option is to be exercised. It must also specify the date on which it is given and contain a statement to the effect that you are exercising the option. You will be a “Bad Leaver” if your service as a Consultant is terminated as a result of gross negligence, wilful or gross misconduct, or if this Agreement is terminated without notice in accordance with its terms. The option will lapse immediately upon your becoming a Bad Leaver. In the event of your death, your option, to the extent vested and exercisable, can be exercised by your family estate, providing a notice of exercise in relation to the same is received by the Board within **[NUMBER]** months following your death.

**SCHEDULE TWO**

**Start Date** **[DATE]**

**Term From** **[DATE]** until terminated by **[NUMBER]** days notice in accordance with the Agreement.

**Project** **[PROJECT TITLE]**

**Services** The Consultant will provide the following services to the Company in connection with the Project: **[DESCRIBE SERVICES]**

**Fee** **[NUMBER]** excluding any applicable value-added tax

**Approved Expenses** **[EXPLAIN]**

**SIGNATURES**

**Please indicate your acceptance of these terms and conditions by signing below.**

The Agreement is dated ........................................

**[I/We]** agree to the above.

................................................................................

for and on behalf of **[COMPANY NAME]**

I agree to the above.

................................................................................

**[INDIVIDUAL’S NAME]**

**OR**

**[I/We]** agree to the above.

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for and on behalf of **[CONSULTANCY NAME AND BUSINESS ADDRESS]**