



Sample Limited  
The Corran The Corran  
Batchworth Hill  
Rickmansworth  
Hertfordshire  
WD3 1JP  
United Kingdom

Date TBC

John Smith  
99 Old Bath Road  
Newbury  
Berkshire  
United Kingdom  
RG14 9PO

This founder service agreement (**Agreement**) is made between John Smith (**you**) and Sample Limited (**we** or the **Company**). This document replaces any agreement or arrangement in force between you and the Company or any other member of its group on or before the commencement of this Agreement.

## 1. Commencement date and term

- 1.1 We agree to employ you, and you agree to be employed by us, as Director.
- 1.2 This Agreement will be deemed to have commenced on 22 October 2020 and will continue on its terms unless terminated by either of us giving to the other not less than 3 calendar months' previous written notice.
- 1.3 You consent to the transfer of your employment under this Agreement to an Associated Employer (as defined in the Employment Rights Act 1996) at any time.

## 2. Founder's duties

You will:

- 2.1 undertake such duties and diligently exercise such powers in relation to the Company and its business as the board of directors of the Company (the **Board**) from time to time assign to you;
- 2.2 in the discharge of such duties and in the exercise of such powers, observe and comply with all resolutions, regulations and directions from time to time made or given by the Board;
- 2.3 devote substantially the whole of your time and attention during business hours to the discharge of your duties under this Agreement;

- 2.4 promptly make such reports to the Board in connection with the Company's affairs on such matters and at such times as are reasonably required;
- 2.5 in pursuance of your duties under this Agreement, perform such services for subsidiary companies of the Company (if any) and (without further remuneration, unless otherwise agreed by the Board) accept such offices in such subsidiary companies as the Board may from time to time reasonably require; and
- 2.6 promptly make such reports to the Board in connection with the Company's affairs on such matters and at such times as are reasonably required; and
- 2.7 do all in your power to promote, develop and extend the business of the Company and its subsidiary companies (together, the **Group**) and at all times and in all respects conform to and comply with the Company's articles of association and the proper and reasonable directions and regulations of the Board.

### **3. Warranties**

- 3.1 You warrant to us that, by entering into this Agreement or performing any of your obligations under it, you will not be in breach of any court order or any express or implied terms of any contract or other obligation binding on you.
- 3.2 You warrant that you are entitled to work in the United Kingdom without any additional approvals and will notify us immediately if you cease to be so entitled during your employment.

### **4. Restrictions**

During your employment, you will (unless prevented by incapacity) devote your whole time and attention to the business of the Company and, without the prior written consent of the Board, will not during the continuance of your employment (except as a representative of the Company or with the consent in writing of the Board) be directly or indirectly engaged or concerned in the conduct of any other business.

### **5. Confidentiality**

- 5.1 You will not use, divulge or communicate to any person (except in the proper course of your duties) any of the trade secrets or other confidential information of the Group which you may have received or obtained while in the service of any Group company. This restriction will continue to apply after the termination of your employment without limit in time, but will cease to apply to information or knowledge which may come into the public domain otherwise than through unauthorised disclosure by you.
- 5.2 This clause 5 does not apply to: any use or disclosure authorised by the Board or required by law; any information which is already in, or comes into, the public domain other than through your unauthorised disclosure; or any protected disclosure within the meaning of section 43A of the Employment Rights Act 1996.

## **6. Place and hours of work**

- 6.1 Your normal place of work is The Corran The Corran, Batchworth Hill, Rickmansworth, Hertfordshire, WD3 1JP, United Kingdom, but you will also work in any place within the United Kingdom that the Board may require for the proper performance and exercise of your duties. However, you will not be obliged (except for occasional visits in the ordinary course of your duties) to go or to reside outside the United Kingdom.
- 6.2 Our normal business hours are Monday to Friday, 09:00 to 17:30. However, you will be required to work such additional hours as are necessary to fulfil your duties under this Agreement. You acknowledge that you will not receive further remuneration in respect of such additional hours.

## **7. Salary**

- 7.1 We will pay you a salary during your employment at the rate of 0 (gross) per annum, or such higher rate as may from time to time be agreed or determined and notified to you by the Board. Your salary will be reviewed annually by the Board.
- 7.2 Your salary will accrue from day to day at a rate of 1/260 and is payable by equal monthly payments in arrears, on the last working day of each month.
- 7.3 We may deduct from your salary, or any other sums owed to you, any money owed to us by you.

## **8. Pension**

The Company will comply with its pension requirements under all applicable law.

## **9. Expenses**

You will be reimbursed all travelling, hotel and other out-of-pocket expenses reasonably incurred by you in or about the discharge of your duties, subject to any individual expense over £100 (including VAT) requiring pre-approval by the Board and production to the Board at its request of all supporting invoices and documents.

## **10. Holiday entitlement**

- 10.1 Our holiday year runs between January and December. If your employment commences or terminates part way through a holiday year, your entitlement during that holiday year will be calculated on a pro-rata basis rounded up to the nearest half day.
- 10.2 You are entitled to 27 days' paid holiday in each year, in addition to Bank and other public holidays, to be taken at such time or times as are agreed with the Board.

- 10.3 You will not carry forward any accrued but untaken holiday entitlement to a subsequent holiday year, except as may be approved in advance by the Board or unless you have been prevented from taking it by one of the following: a period of sickness absence or statutory maternity, paternity, adoption, shared parental, parental or parental bereavement leave. In cases of sickness absence, carry-over is limited to 2 days' holiday per year less any leave taken during the holiday year that has just ended. Any such carried over holiday which is not taken within 3 months of the end of the relevant holiday year will be lost.
- 10.4 We will not pay you in lieu of untaken holiday, except on termination of your employment and then in accordance with Company policies from time to time. If on termination of your employment you have taken more holiday than your accrued holiday entitlement, we will be entitled to deduct the excess holiday pay from any payments due to you, calculated at 1/260 of your salary for each excess day.

## **11. Absence**

- 11.1 If you are absent from work due to any sickness, injury or other medical disorder or condition which prevents you from carrying out your duties, you must notify the Board of the reason as soon as possible, but no later than 9:30 on the first day of absence.
- 11.2 You may be required to certify your absence in accordance with our sickness policy from time to time.
- 11.3 Subject to your compliance with this Agreement and our sickness policy from time to time, you will receive sick pay in accordance with that policy. Your qualifying days for statutory sick pay purposes are Monday to Friday (inclusive).
- 11.4 Our rights to terminate your employment under the terms of this Agreement apply even when such termination would or might cause you to forfeit any entitlement to sick pay, other benefits or any bonus.

## **12. Intellectual property rights**

- 12.1 If you create an invention, discovery, design, improvement or copyright work (an **Invention**) relating to or capable of being used in the business of the Group, you will promptly disclose to us full details thereof to enable us to assess the Invention and to determine (in our absolute discretion) whether it is a Group company's property.
- 12.2 If the Invention is a Group company's property, you will hold it on trust for that company and will at the Board's request and the Company's expense do all things necessary to enable us to obtain the benefit thereof and to secure any available form of protection.
- 12.3 If the Invention is not a Group company's property, we will have the right to acquire it for the relevant Group company or its nominee on reasonable terms determined by the Board.

- 12.4 Rights and obligations under this clause 12 will continue in force following termination of your employment in respect of Inventions made during your employment.

### **13. Group property**

All documents, manuals, hardware and software provided for your use by the Group, and any data or documents (including copies) produced, maintained or stored on its computer systems or other electronic equipment (including mobile phones), remain the Group's property.

### **14. Resignation of office**

Upon termination of this Agreement for whatsoever reason, you will upon the Board's request resign without claim for compensation from the office of director held by you in any Group company. If you fail to do so, we are hereby irrevocably authorised to appoint any person in your name and on your behalf to execute any documents and to do all things required to give effect to this clause.

### **15. Termination**

- 15.1 This Agreement and your employment are subject to immediate termination by the Company if you: commit any serious breach or have repeated or continued (after warning) any material breach of your obligations hereunder; are guilty of conduct bringing yourself or the Group into serious disrepute; are declared bankrupt or make any arrangement with or for the benefit of your creditors or have a county court administration order made against you under the County Court Act 1984; become disqualified from acting as a director under the Company Director Disqualification Act 1986 or under the Company's articles of association; are guilty of a serious breach of any rules issued by us from time to time regarding our electronic communications systems; are convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed); are found by any court of civil or criminal jurisdiction to be guilty of any fraud or material dishonesty; or become of unsound mind or a patient under the Mental Health Act 1983.
- 15.2 Your employment will terminate automatically if you cease to be a director of the Company. In that event, you will have no claim for damages against the Company.
- 15.3 Our rights under this clause 15 are without prejudice to any other rights that we might have at law to terminate your employment or to accept any breach of this Agreement by you as having brought this Agreement to an end.
- 15.4 On termination of your employment, you shall not be entitled to any compensation for the loss of any rights or benefits under any share option scheme or bonus arrangement in which you may participate.

### **16. Your obligations on termination**

16.1 On termination of your employment, you will:

- (a) immediately deliver to us all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the Group's business and any other property of ours which is in your possession or under your control; and
- (b) irretrievably delete any information relating to the Group's business stored on any magnetic or optical disk or memory and all matter derived from such sources which is in your possession or under your control outside our premises.

## **17. Company rules and procedures**

- 17.1 The Company's rules and procedures applicable to you, including those relating to grievances and disciplinary procedures, are available from the Board. If you wish to appeal against any disciplinary action taken against you (including any decision to dismiss you) or have any grievance relating to your employment, you should apply in writing to the Board.
- 17.2 You will comply with our anti-corruption and bribery policy and related procedures at all times.
- 17.3 The Company's policies do not form part of this Agreement and we may amend them at any time. To the extent that there is any conflict between the terms of this Agreement and the Company's policies, this Agreement will take priority.

## **18. Data protection**

- 18.1 We will collect and process information relating to you in accordance with the privacy notice made available to you by the Board and which you are required to complete and return to us.
- 18.2 You will comply with the Company's data protection policy from time to time when handling other peoples' personal data in the course of your employment. Any failure to comply may be dealt with under our disciplinary procedures and, in serious cases, treated as gross misconduct leading to summary dismissal.

## **19. Entire agreement**

This Agreement constitutes the entire agreement between us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between us, whether written or oral, relating to its subject matter.

## **20. Variation**

No variation of this Agreement shall be effective unless it is in writing and signed by both of us (or our respective authorised representatives).

## **21. Waiver**

No failure or delay by one of us to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

## **22. Severance**

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Agreement. If any provision or part-provision of this Agreement is deemed deleted, we will negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

## **23. Further assurance**

Each of us shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this Agreement.

## **24. Notices**

- 24.1 Any notice to be given under this Agreement shall be in writing and may be served by personal delivery, first class post or e-mail, in each case to the following addresses (or such other address as that party may from time to time notify to the other in accordance with this clause 24):

To you: 99 Old Bath Road, Newbury, Berks, United Kingdom, RG14 9PO or  
john.smith@sample.com

To the Company: to its registered office from time to time, or to test@test.com

- 24.2 Notices served as above will be deemed delivered on the second working day following delivery or posting. An email will be deemed delivered when sent, unless an error message is received and unless delivery is on a non-working day, in which case delivery will be deemed to have occurred on the next working day.

## **25. Counterparts**

This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Agreement.

## **26. Third party rights**

Except for the Company's rights to protect other Group companies under this Agreement, this Agreement does not give rise to any rights under the Contracts

(Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

**27. Governing law and jurisdiction**

This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. We each irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.