

MANAGEMENT SERVICES AGREEMENT FOR STARTUPS



The Management Services Agreement for Startups is used when a startup outsources an independent professional -manager, director, consultant- to render services whose purpose is to improve and optimise the company's profits. The parties are independent contractors and therefore no employment relationship inter se. It is a type of contract widely used for the management and administration of startups in an international environment.

Once the services provided by the Manager have been described (general and marketing strategies, contact with current and potential clients, daily business operations, productivity and quality levels, finances, analysis of new markets and growth, etc.), standard clauses of this Management Services Agreement are drawn up such as: Manager's dedication of time (number of hours per week), compensation (fee), non-competition (or non-compete clauses) and confidentiality, term and extinguishment, applicable law etc.

MANAGEMENT SERVICES AGREEMENT FOR STARTUPS

DATE:
.....

BETWEEN:
..... [company legal name] whose registered office is at
..... [address, city and country] and registration/fiscal number is
....., represented by [surname and first
name, position] (hereinafter, referred to as "the Company"),

AND:
Mr./Ms., of legal age, [include professional qualification], Tax
Identification Number....., registered address , acting on his/her own behalf
(hereinafter, referred to as "the Manager").

PREAMBLE

I. The Company is a [insert citizenship] company whose object consists of [describe the activities of the Company] ("the Business").

II. The Company requires certain [advisory / directorship / general management] services to assist in the expansion of the Business, for which reason it

requires with expertise in the area of the Business.

III. The Manager is a person with expertise in the mentioned industry area.

Accordingly, the Parties recognise their legal and reciprocal capacity to bind themselves and agree to sign this Management Services Agreement (hereinafter, the "Agreement"), governed by civil and commercial provisions that are applicable and, in particular, by the following:

1. PURPOSE

1.1 By means of this Agreement, the Company appoints the Manager to the office of [Advisor / Director / General Manager], and the Manager agrees to perform the duties of that office well and faithfully and the tasks pertaining to that office in the broadest possible terms.

Subject to the terms and conditions agreed in this Agreement, the Manager undertakes to provide to the Company services in the following fields of activity of the Business (hereinafter "the Services") (1):

- a) General market strategies and corporate policies designed to increase and expand the Business [insert the type of industry]
- b) Contacts with present and potential clients in [insert the type of industry] with suppliers, management of payments from clients and claims, etc.
- c) Daily business operations, such as issuance of invoices, compliance with tax duties, labour and social security, contacts with current and potential customers, suppliers, agents, officers, manufacturing processes, storage, etc.
- d) Marketing strategies to increase sales, productivity and quality levels.
- e) Search and analysis of new markets and growth.

1.2 The Manager shall render the Services in the best interests of the Company. In carrying out their obligations under this Agreement, the Parties will act in accordance with the principles of good faith and fair dealing.

1.3 In order to adequately provide the Services, and without prejudice to the travelling required in this connection, the Manager shall [regularly / have the option to] work from the Company's corporate offices in [insert complete address], where adequate space and equipment shall be supplied.

2. METHOD OF PROVIDING SERVICES

2.1 The Manager will devote % [insert number] of his/her personal capacity of weekly hours (with a week of 5 days for these purposes), to provide the Services under this Agreement during the usual Business hours. Without prejudice to its full autonomy, the Manager shall procure that it renders the Services in accordance with the working times, schedules, rest periods and festivities which are usual in the Company. In any event, the Manager shall personally attend regular meetings with the Company, to be held on the premises of the Business in [insert address], or at other locations.

2.2 Notwithstanding the provisions of Clause 2.1, given the special services to be rendered, the Manager shall be at all times at the Company's disposal, and may be asked to provide Services even during festivities if need be. Such hours or days worked on non-business days will be compensated with hours or days of leave with the prior agreement of the Company.

2.3 Manager may interrupt the rendering of his/her services during a maximum of [insert number] Business days for each year of duration of this Agreement, in one or more periods and preferably during the month(s) of [insert month(s)]. When determining the length and dates of such interruptions, the Manager shall take into account the needs of the Company. In any event, the Manager shall immediately report to the Company any event or circumstance (such as accident, illness, incapacity, etc.) which might prevent the Manager from providing the Services in accordance with the terms of this Agreement for more than..... [insert number] consecutive days

2.4 Each of the contracting Parties shall bear their respective legal obligations regarding affiliation and contribution to the Special Scheme for self-employed Social Security, withholding of income tax of individual persons and any other obligation that results from current regulations in force. The Manager confirms that it is duly registered with the Social Security and tax authorities of[insert country] as an independent entrepreneur and undertakes to comply with legislation in force in this respect.

2.5 The Manager will perform the Services under the supervision and direction of the Company's Board of Directors (2). The Managers' duties include reporting and giving account to the Company's governing body (or to the director delegated by that body), and his/her actions will be limited by that body's direct instructions and criteria.

2.6 The Company will grant the Manager any necessary powers of attorney for representation pertaining to the legal owners of the Company to perform its duties, subject to the limits imposed by the Company's current policy on granting powers of attorney.

2.7 The provision of services by the Manager to the Company will be exclusive with respect to the field of Business of the Company. The Manager hereby states that, from the moment of the signature of this Agreement, it will have no connection, directly or indirectly with any other company, partnership, civil or commercial entity or public body, and that neither personally nor through third parties it has an interest of any kind with any company, civil or commercial partnership or government agency or entity from which a conflict of interest may arise. The Manager undertakes not to engage in any kind of activity that poses or could give rise to a conflict of interest in respect of his/her obligations to the Company without the prior written consent of the Company. The Manager will immediately report to the Company's Board of Directors any situation of conflict of interest, and must not attend nor take any part in deliberations concerning matters in which it has a personal interest.

2.8 The Manager will provide services corresponding to the nature of its office and duties with due diligence and in keeping with the principles of good faith, integrity and loyalty. The Manager will offer the Company (and those companies belonging to the same corporate group) all business opportunities that arise and are offered to it when these opportunities relate to activities falling within the scope of the corporate purpose of those companies.

2.9 Unless provided in this Agreement or previously approved in writing by the Company's Board of Directors, the Manager is not entitled to make use of the Company's assets or its employees' services (or those of its corporate group), nor to take advantage of his/her status to obtain any unjustified enrichment for himself/herself, for his/her relatives or for any entity linked to any of them.

2.10 The Manager will abide by the law when performing his/her duties, taking the necessary measures to ensure that the Company's executives and employees do the same, and will report to the Company's management any action or situation it is aware of that might violate the law.

3. COMPENSATION FOR SERVICES RENDERED

As consideration for the Services provided under this Agreement, the Company agrees to pay to the Manager the fixed and variable fees set out in Annex 1 (“the Fee”) (3).

3.2 The Company shall be liable to pay each Fee upon the receipt of a duly issued invoice by the Manager in immediately available funds via wire transfer to the bank account of the Manager, details of which shall be notified by the Manager to the Company in writing at least 7 calendar days prior to each corresponding payment date. Each such invoice shall include the name, address, tax identification number of the Manager and of the Company, a description of the Services, the amount of the invoice and any other information which is deemed compulsory by the applicable laws. The Company shall be deemed to have performed its payment obligations when the respective sums due have been received by the Manager’s bank in immediately available funds.

3.3 The Manager shall bear all expenses incurred in connection with its rendering of the Services, including out-of-pocket expenses. This notwithstanding, the Company will pay or reimburse to the Manager, the duly justified expenses of travelling, lodging, food & beverage, outlays and other expenses incurred by it in carrying out the functions entrusted to him/her under this Agreement, in accordance with the general policies established by the Company; the Manager shall include the amount of these expenditures in his/her invoices issued to the Company, attaching a copy of the invoices for expenses incurred.

3.4 All the amounts included in the invoices issued by the Manager concerning remuneration for Services rendered or in respect of costs impact referred to in this Agreement, will be increased with their respective Value Added Tax (or equivalent tax). Also, the Company will make the deductions in respect of advance payment of Personal Income Tax (or equivalent tax) at the rate prevailing at the time, and any others that are required by the legislation in force.

This is a sample of Management Services Agreement for Startups.

To get more information about this contract click here:



[MANAGEMENT SERVICES AGREEMENT FOR STARTUPS](#)

USER GUIDE

Contracts drafted by the legal experts of Global Negotiator cover all relevant aspects that are negotiated and agreed in the different types of business between companies. However, when these contracts are used you should take into account some recommendations common to all of them that are described in this User Guide.

DATE

The date when the contract comes into force is the one that appears in its header, as mentioned in the final paragraphs of the contract, before signatures (This Contract comes into force on the date written above).

In some contracts -for example in the Supply Contract- the date of coming into force is also mentioned in one of the clauses. In these cases, you have to verify that the two dates inserted in the contract (in the heading and in the corresponding clause) are the same, in order to avoid discrepancies.

PARTIES

Be sure to insert in the first page of the contract the full details of the Parties:

- When a Party is a company you must insert the following information: legal name, legal form (limited, incorporated, etc.), full address, registration data and fiscal identification number.
- When a Party is an individual that works as independent professional (for example a commercial agent) you must insert the following information: full name, profession, full address and fiscal identification number.

CLAUSES

Clauses with different alternatives: choose the most favorable

In the most important clauses of each contract (exclusivity, payment terms, applicable law and competent jurisdiction, etc.) several drafting alternatives are proposed so you can choose the most appropriate to each situation. Therefore, the user before submitting the contract to the other Party must choose the alternatives that seem best suited to their interests, and eliminate the rest.

Clauses with blank spaces to be completed

In several clauses of the contract blank spaces appear with dots (.....) that the user has to complete inserting text. Following the dots, between brackets, you will see the data and explanations to insert the text.

- When the text between brackets is in normal letters (the same as the contract) and separated by "," or the word "o", the user must insert one of the options suggested.

Example of blank space (.....) with options to select between brackets:

Orders handled before completion of the present Contract which produce sales transactions within [1, 2, 3, 6] months shall entitle the Agent to receive the corresponding commission. In this case the user must choose between options 1, 2, 3 or 6 months and insert one in the blank space (.....).

- When the text between brackets is in italics the user has to insert the data and information requested and eliminate the bracketed text.

Example of blank space - (.....) to insert text:

Both parties, by mutual consent, resolve to refer any dispute to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be [*city and country*]. In this case the user must insert in the blank space (.....) the city and country chosen to conduct the arbitration and afterwards eliminate the bracketed text [*city and country*].

Notices Clause

Sometimes it may happen that the official address of the Parties which appear at the beginning of the contract is different from which is to be used for communications between the Parties during the terms of the contract. In this case the user should include at the end of the contract a Notices Clause.

Example of Notices Clause:

Notices. - In order to comply with their contractual obligations, the Parties establish the following address for the provision of notices related to this contract:

- Party 1 [*insert full address*].
- Party 2 [*insert full address*].

ANNEXES

The contracts incorporate some Annexes, each of them, referenced to the corresponding Clause. Annexes are drafted in commonly used formats, although the user must adapt these formats and the text inserted in them to each particular situation.

SIGNATURES

People who sign

Persons signing the contract on behalf of the company must have the authority to do so and preferably, be entitled on the basis of a power of attorney. Below the signature, in addition to the full name of the person that signs his/her position must be inserted. When one of the Parties who signs is a natural person (for example a commercial agent in an Agency Contract) obviously he or she is the person that has to sign the contract.

The laws of some countries require that contracts, to be valid, shall be signed in front of witnesses or a public notary. Therefore, before signing a contract you should be informed about the requirements that may exist in each country.

Place and date of signature

Usually, contracts are signed by both Parties on the same date and place. Nevertheless, in international contracts, due to physical distance, it is common that each of the Parties sign in different dates and places. This contract provides for both alternatives, so it comes to choosing the most appropriate to each situation.

Number of copies

Usually, the Parties sign two copies of the contract, each Party retaining one of them, but can also arise the need to sign more copies. In this case all you have to do is mention explicitly the number of copies to be signed in the paragraph that is included at the end of the contract (Both Parties declare their conformity to the present contract, which is signed in copies, each of which shall be considered an original).

GENERAL RECOMMENDATIONS

The Parties must sign all pages of the contract, including Annexes, so they are also valid. It is better to use ball point or pen (not pencil) in a color other than black (e.g.: blue); this makes it easier to distinguish an original document from a photocopy.

It is preferable (although no mandatory) to express sums of money and percentages in words and figures. Of course, the words and figures for a given amount must match exactly. You also must insert the currency in which the amounts are expressed. It is advisable to use the rules establish by ISO that name each currency by three capital letters (EUR for euro, USD for dollar, GBP for sterling pound, JPY for Japanese yen, etc. - you can get the acronyms of every currency in the website www.oanda.com).

Once you have chosen the best alternatives of each clause and have completed the blank spaces you should revise the whole contract to remove remaining paragraphs and correct any errors.

LEGAL WARNING

Depending upon your particular situation this contract might not meet your needs and requirements. In case of doubt, you should consult a legal advisor.

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BUSINESS CONTRACTS

- Strategic Alliance Agreement
- Joint Venture Agreement
- Manufacturing Contract
- Supply Contract
- Service Provider Contract
- Consulting Services Contract

COMMERCIAL CONTRACTS

- Exclusive Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Sales Commission Contract
- Real State Agent Agreement

LICENSE & FRANCHISE CONTRACTS

- Trademark License Agreement
- Technology Transfer Agreement
- Software License Agreement
- Franchise Contract
- Master Franchise Contract

CONFIDENTIALITY CONTRACTS

- Confidentiality Contract between Companies
- Confidentiality Contract for Product or Business Idea
- Confidentiality Contract for Employees
- Confidentiality Contract for Consultants and Contractors

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