

Shareholder Agreement:

Shareholder Agreement

Effective Date: [Date]

Between:

- **Company:** [Company Name], a corporation organized under the laws of [State/Country], having its principal place of business at [Company Address], hereinafter referred to as the "Company."
- **Shareholders:**
 - **Shareholder 1:** [Full Name], residing at [Address]
 - **Shareholder 2:** [Full Name], residing at [Address]
 - **Shareholder 3:** [Full Name], residing at [Address] (*Add additional shareholders as needed*)

Collectively referred to as the "Parties."

1. Definitions

- **a. Shares:** The ordinary shares of the Company.
- **b. Board:** The Board of Directors of the Company.
- **c. Articles:** The Articles of Incorporation and Bylaws of the Company.

2. Purpose

The purpose of this Agreement is to set forth the terms and conditions governing the relationship among the Shareholders and the management of the Company.

3. Share Ownership

- **a. Initial Shareholdings:** Each Shareholder owns the following number of Shares:
 - Shareholder 1: [Number] Shares ([Percentage]%)
 - Shareholder 2: [Number] Shares ([Percentage]%)
 - Shareholder 3: [Number] Shares ([Percentage]%)
- **b. Certificates:** The Company shall issue share certificates to each Shareholder reflecting their ownership.

4. Capital Contributions

Each Shareholder agrees to contribute capital to the Company as follows:

- Shareholder 1: [Amount or Description of Contribution]
- Shareholder 2: [Amount or Description of Contribution]
- Shareholder 3: [Amount or Description of Contribution]

5. Management and Board of Directors

- **a. Board Composition:** The Board shall consist of [Number] directors. Each Shareholder is entitled to appoint [Number] director(s) as follows:
 - Shareholder 1: [Name of Appointed Director]
 - Shareholder 2: [Name of Appointed Director]
 - Shareholder 3: [Name of Appointed Director]
- **b. Decision-Making:** Decisions of the Board require a majority vote unless otherwise specified.

6. Voting Rights

- **a. Shareholder Meetings:** Shareholders shall have the right to attend and vote at all Shareholder meetings.
- **b. Voting Power:** Each Shareholder has voting power proportional to their share ownership.

7. Transfer of Shares

- **a. Restrictions:** Shareholders may not transfer, sell, or assign their Shares without complying with the terms of this Agreement.
- **b. Right of First Refusal:** If a Shareholder wishes to sell their Shares, they must first offer them to the other Shareholders on the same terms.

8. Pre-Emption Rights

In the event of new share issuance, existing Shareholders have the right to subscribe to new Shares proportionate to their current ownership to prevent dilution.

9. Dividends and Distributions

- **a. Declaration of Dividends:** Dividends shall be declared at the discretion of the Board.
- **b. Distribution:** Dividends shall be distributed to Shareholders in proportion to their share ownership.

10. Confidentiality

Shareholders agree to keep confidential all proprietary and sensitive information relating to the Company and not to disclose it to third parties without prior written consent.

11. Non-Compete and Non-Solicitation

- **a. Non-Compete:** Shareholders agree not to engage in any business that competes with the Company during their ownership and for [Number] years thereafter within [Geographic Area].
- **b. Non-Solicitation:** Shareholders shall not solicit clients, customers, or employees of the Company for [Number] years after ceasing to be a Shareholder.

12. Deadlock Resolution

In the event of a deadlock among Shareholders or Directors on significant matters, the following procedure shall apply:

- **a. Mediation:** Parties shall first attempt to resolve the deadlock through mediation.
- **b. Buy-Sell Provision:** If mediation fails, a buy-sell mechanism may be initiated whereby one party purchases the other's Shares at a fair market value.

13. Termination

This Agreement shall terminate upon the occurrence of any of the following events:

- Mutual agreement of all Shareholders.
- Dissolution or liquidation of the Company.
- A single Shareholder acquiring all Shares.

14. Amendments

Any amendments to this Agreement must be made in writing and signed by all Shareholders.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of [State], without regard to its conflict of law principles.

16. Dispute Resolution

Any disputes arising under this Agreement shall be resolved through [mediation/arbitration/litigation] in accordance with the rules of [Arbitration Organization], in the jurisdiction of [State/Country].

17. Notices

All notices required under this Agreement shall be in writing and delivered to the Parties at their respective addresses provided above, either personally, by certified mail, or by email to [Email Addresses, if applicable].

18. Entire Agreement

This Agreement constitutes the entire understanding among the Shareholders and supersedes all prior agreements, representations, or understandings, whether written or oral.

19. Severability

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

20. Waiver

The failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or any other provision.

21. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Shareholder Agreement as of the Effective Date.

Shareholder 1

Signature: _____

Name: [Shareholder 1's Full Name]

Date: _____

Shareholder 2

Signature: _____

Name: [Shareholder 2's Full Name]

Date: _____

Shareholder 3

Signature: _____

Name: [Shareholder 3's Full Name]

Date: _____

(Add additional signature lines as needed)

