

SHAREHOLDER AGREEMENT

Company Name: _____

State of Incorporation: _____

Parties:

This Shareholder Agreement (the "Agreement") is made by and among the shareholders of the Company named above, collectively re

Recitals:

WHEREAS, the Shareholders own all of the issued and outstanding shares of the Company; and WHEREAS, the Shareholders desire to set forth their respective rights and obligations with respect to the Company and among themselves.

1. Purpose

The purpose of this Agreement is to regulate the relationship among Shareholders, management of the Company, transfer of shares, and other matters related to the governance and operation of the Company.

2. Definitions

Capitalized terms used in this Agreement shall have the meanings assigned to them herein or in the Company's articles of incorporation and bylaws.

3. Share Ownership

Each Shareholder owns the number of shares set forth opposite such Shareholder's name on Schedule A attached hereto, which is incorporated herein by reference.

4. Management of the Company

The Shareholders shall elect a Board of Directors to manage the business and affairs of the Company in accordance with applicable law and the Company's governing documents.

5. Voting Rights

Shareholders shall have voting rights proportional to their ownership percentage. All shareholder actions shall require the approval of holders of a majority of the outstanding shares unless a higher threshold is specified herein.

6. Restrictions on Transfer of Shares

No Shareholder may transfer, sell, assign, pledge, or otherwise dispose of any shares except in accordance with the terms of this Agreement.

7. Right of First Refusal

If a Shareholder desires to transfer shares, such Shareholder shall first offer the shares to the other Shareholders on a pro rata basis at the same price and terms as offered by a third party.

8. Tag-Along Rights

If one or more Shareholders propose to transfer shares to a third party, the other Shareholders shall have the right to participate in such transfer on a pro rata basis.

9. Drag-Along Rights

If Shareholders holding a majority of the shares approve a sale of the Company, all Shareholders shall be required to sell their shares on the same terms.

10. Dividend Policy

Dividends shall be declared and paid in accordance with the Company's bylaws and applicable law, subject to the discretion of the Board of Directors.

11. Financial Reporting

The Company shall provide Shareholders with quarterly and annual financial statements prepared in accordance with generally accepted accounting principles (GAAP).

12. Confidentiality

Each Shareholder agrees to keep confidential all non-public information relating to the Company and its business.

13. Non-Competition and Non-Solicitation

Shareholders agree not to compete with the Company or solicit its employees or customers during the term of this Agreement and for a period of one year thereafter.

14. Dispute Resolution

Any dispute arising out of or related to this Agreement shall be resolved first by negotiation, then mediation, and if unresolved, final and binding arbitration under the rules of the American Arbitration Association.

15. Term and Termination

This Agreement shall remain in effect until terminated by unanimous written consent of all Shareholders or upon dissolution of the Company.

16. Amendments

This Agreement may be amended only by written agreement signed by Shareholders holding at least seventy-five percent (75%) of the outstanding shares.

17. Governing Law

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

18. Entire Agreement

This Agreement, together with all exhibits and schedules hereto, constitutes the entire agreement among the Shareholders relating to the subject matter hereof and supersedes all prior agreements and understandings.

19. Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

20. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered upon personal delivery, nationally recognized overnight courier, certified mail return receipt requested, or electronic means confirmed by the recipient.

21. Counterparts

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

22. Waiver

No failure or delay by any Shareholder in exercising any right shall operate as a waiver of such right or any other right.

23. No Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and shall not confer any rights to any other person.

24. Compliance with Laws

The Shareholders agree to comply with all applicable federal, state, and local laws in connection with the transactions contemplated by this Agreement.

25. Execution and Delivery

Each Shareholder represents and warrants that they have full power and authority to enter into and perform this Agreement and that the Agreement constitutes a valid and binding obligation.

SHAREHOLDER 1 SIGNATURE

SHAREHOLDER 2 SIGNATURE

Signature: _____

Signature: _____

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