

Shareholders agreement – corporate kit

## Save money with our Shareholders Corporate Kit!

Our Corporate Kit contains everything you will need for your Business.

- Shareholders Agreement
- Shareholders Bylaws
- Arbitration & Procedures Clause
- Confidentiality Clause



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**SHAREHOLDER’S AGREEMENT AMONG THE SHAREHOLDERS OF  
(COMPANY)**

THIS AGREEMENT AMONG SHAREHOLDERS (this "Agreement") is made as of the \_\_\_\_\_ day of \_\_\_\_\_ [MONTH], 200\_ by and among

Shareholder 1 :  Name:	ADDRESS:  Phone: Email:
Shareholder 2 :  Name:	ADDRESS:  Phone: Email:
Shareholder 3 :  Name:	ADDRESS:  Phone: Email:
Shareholder 4 :  Name:	ADDRESS:  Phone: Email:

(hereinafter collectively called the "Shareholders" and individually called a "Shareholder") and

COMPANY NAME	ADDRESS:  Phone:
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(hereinafter called the "Company").

Hereafter referred as the Parties (“Parties”)

## SECTION 1 NATURE AND PURPOSE OF AGREEMENT

This agreement establishes an understanding between the parties and as such all parties agree to be bound by its Terms and Conditions. This agreement shall not become binding upon the parties until it has been signed by all Parties involved in this agreement.

### RECITALS

WHEREAS, the parties desire to enter into shareholder agreement in order to set forth the details of their relationship and the governance and management of the Company;

WHEREAS, the Shareholders are the owners of all of the common stock of the Company, \$\_\_\_\_\_ (\$ XX.XX) par value;

WHEREAS, the present distribution of shares of the Company is as follows:

Shareholder 1 : Name:	Percentage of Total Shares: [e.g. thirty percent (30%)]
Shareholder 2 : Name:	Percentage of Total Shares: _____ Percent ( _ %)
Shareholder 3 : Name:	Percentage of Total Shares: _____ Percent ( _ %)
Shareholder 4 : Name:	Percentage of Total Shares: _____ Percent ( _ %)

WHEREAS, the Shareholders and the Company wish to further the interests of the Company by imposing the restrictions and obligations set forth herein with respect to the shares of such common stock (hereinafter called the "Shares");

NOW THEREFORE, in consideration of the premises and the mutual agreements and representations herein contained, and intending to be legally bound hereby, the parties agree as follows:

## **SECTION 2 RESTRICTIONS ON TRANSFERS OF SHARES**

Except as stated in Section 3 or Section 4, no Shareholder shall sell or otherwise transfer or dispose of any Shares now owned or hereafter acquired by him unless the following terms and conditions have been met.

**2.1 Written Notice.** The transferring Shareholder shall give the Company and each other Shareholder written notice of the terms on which he proposes to transfer his shares, including the number of shares to be transferred, the price per share and the name of the proposed transferee. Within thirty (30) days after receipt of such notice the Company shall have the right and option to elect to purchase all or any portion of the Shares that are subject to the notice for a per Share price as outlined in paragraph (2.5).

**2.2 Non-Exercise.** If the Company has not exercised its right to purchase within a thirty-day (30) period the Company shall give each of the other Shareholders a written notice of its non-exercise. The other Shareholders shall have the right to purchase in the aggregate all, but not less than all, of the Shares which the selling Shareholder proposes to sell at the Purchase Price within a fifteen day (15) period after the receipt of the notice outlining that the Company shall not exercise its right. Such other Shareholders, individually or as a group, shall exercise their right by giving written notice thereof to the transferring Shareholder, to the Company and to all the other Shareholders. The notice of each exercising Shareholder shall state the number of shares which he is willing to purchase.

**2.3 Oversubscription.** If there is an oversubscription by such Shareholders, the Shares to be sold shall, to the extent required to eliminate the oversubscription, be allocated among the exercising Shareholders in the proportion of the number of Shares which each of them owns.

**EXHIBIT C**  
**BYLAWS**

The following Bylaws are adopted by the shareholders of the Company entitled to vote for the government of the Company:

**SECTION 1 MEETINGS OF SHAREHOLDERS**

**1.1 Annual Meetings.** The regular annual meeting of the shareholders shall be held at the principal office of the Company, (ADDRESS) \_\_\_\_\_ on (DATE) of each year, at \_\_\_\_\_ (TIME).

**1.2 Special Meetings.** Special Meetings of stockholders for any purpose or purposes may be called at any time by the Chairman of the Board, the Chief Executive Officer, the President, the holders of shares of the Corporation that are entitled to cast not less than ten percent ( \_\_\_%) of the total number of votes entitled to be cast by all stockholders at such meeting, or by a majority of the members of the Board of Directors. Special meetings may not be called by any other person or persons. If a special meeting of stockholders is called by any person or persons other than by a majority of the members of the Board of Directors, then such person or persons shall call such meeting by delivering a written request to call such meeting to each member of the Board of Directors, and the Board of Directors shall then determine the time, date and place of such special meeting. Calls for special meetings shall specify the time, place and purpose thereof. No business other than that specified in the call shall be considered.

**1.3 Notice of Meetings.** A written notice stating the date, time, place and purpose of the meeting of shareholders shall be given either by personal delivery or by mail at least \_\_\_\_\_ days but not more than \_\_\_\_\_ days before the date of the meeting to each shareholder of record entitled to notice of the meeting. If mailed, such notice shall be addressed to the shareholder at his address as it appears on the records of the Company. All notices with respect to any shares held in more than one name may be given to the

one who is named first on the certificate of stock. Notice so given shall be considered as notice to all the holders of such shares.

**1.4 Adjournments.** Any meeting of stockholders may adjourn from time to time to reconvene at the same or another place, and notice need not be given or any such adjourned meeting if the time, date and place thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

**1.5 Quorum.** At each meeting of stockholders the holders of a majority of the shares of stock entitled to vote at the meeting, present in person or represented by proxy, or by means of teleconference devices where all persons participating in the meeting can hear each other, shall constitute a quorum for the transaction of business, except if otherwise required by applicable law. If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares entitled to vote who are present, in person or by proxy or by means of teleconference devices (where all persons participating in the meeting can hear each other) at the meeting may adjourn the meeting.

**1.6 Proxies.** Each stockholder entitled to vote at a meeting of stockholders, or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law to the Secretary of the Company.

## **SECTION 2 SHARES**

**2.1 Certificates.** Every holder of stock of the corporation shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by him or her in the corporation. Each such certificate shall be signed by, or in the name of the corporation by, the Chairman, the Board of Directors, or the President or a Vice President, and the Treasurer or any Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation. Any or all of the signatures on the certificate may be a facsimile.

**2.2 Transfers.** Shares may be transferred by the registered holders thereof or by their legally empowered attorneys or by their legal representatives, by surrender of the certificate and a written assignment of the shares. The Board of Directors may appoint such Transfer Agents or Registrars of shares as it may deem advisable and may define their powers and duties. All endorsements, assignments, transfers, share powers or other instruments of transfer of securities standing in the name of the Company shall be executed for and in the name of the Company by any two of the following officers: the President or a Vice President and the Treasurer or Secretary, or an Assistant Treasurer or an Assistant Secretary, or by any person or persons authorized by the Board of Directors.

**2.3 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.** The Board of Directors may order new certificates of stock to be issued in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to agree to indemnify the Corporation and/or to give the Corporation a bond sufficient to indemnify it, against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

**EXHIBIT D**  
**ARBITRATION AND PROCEDURES CLAUSE.**

1. **Exclusive Remedy.** After a [e.g., thirty (30)] day waiting period (the “Waiting Period”), any dispute, controversy, or claim arising out of or relating to this Agreement, or the formation, breach, termination or invalidity thereof, shall be settled by submission to final, binding and non-appealable arbitration (“Arbitration”) in accordance with the Rules of the American Arbitration Association (the “Association”), as then in effect, except as varied or excluded by this Agreement, without any right by any party to a trial de novo in a court of competent jurisdiction. During the Waiting Period, the parties shall work diligently and in good faith and use their best efforts to amicably resolve the dispute.
  
2. **Place of Arbitration.** The Arbitration shall be conducted in [City], [State], by the Regional Office of the Association.
  
3. **Costs and Fees.** Each party shall, except as otherwise provided herein, be responsible for its own expenses, including legal fees, incurred in the course of any arbitration proceedings. The fees of the arbitrators shall be divided evenly between the parties.
  
4. **Procedure.** The parties shall follow the procedures described below:
  - (a) Following the Waiting Period, the party seeking Arbitration (the “Demanding Party”) shall give notice of a demand to arbitrate (herein referred to as the “Demand”) to the other party (the “Non-Demanding Party”) and to the Association. The Demand shall include (A) a statement of the nature of the dispute, (B) copies (if any) of all supporting documentation in the possession of the Demanding Party, (C) a copy of

**EXHIBIT E**  
**CONFIDENTIALITY CLAUSE.**

Each Shareholder acknowledges and agrees that its ownership interest in the Company affords it access to Confidential Information regarding the Company and its business, and the dissemination or use of Confidential Information in any manner inconsistent with protecting and furthering the Company, its business, and its prospects would cause the Company great loss and irreparable harm, and one of the duties of ownership in the Company is to prevent the dissemination or use of Confidential Information in any manner inconsistent with protecting and furthering the Company, its business and its prospects.

Each Shareholder agrees that it shall not for himself or on behalf of any other Person (whether as an individual, agent, servant, employee, employer, officer, director, shareholder, investor, principal, consultant or in any other capacity) directly or indirectly use or disclose to any Person any Confidential Information, unless required by applicable laws or judicial or regulatory process.

Confidential Information means information considered confidential by the Company including but not limited to: customer lists, trade

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