# SHAREHOLDER AGREEMENT

Company Name: ____________________ Incorporation Number: ____________________

**Parties:**

This Shareholder Agreement (the “Agreement”) is entered into by and among the shareholders of the Company named above. The part

**1. Definitions**

Capitalized terms used in this Agreement shall have the meanings set forth in this Section unless otherwise defined herein.

**2. Shareholders**

The shareholders of the Company and their respective shareholdings are set forth in Schedule A attached hereto. Any transfer or issuance of shares shall be subject to the terms and restrictions in this Agreement.

**3. Purpose**

The purpose of this Agreement is to govern the relationship of the shareholders, management of the Company, and transfer of shares, to promote the success and value of the Company.

**4. Share Capital and Ownership**

The share capital structure of the Company is as set forth in its Articles of Incorporation and updated in Schedule A. No shareholder shall transfer or dispose of shares except in accordance with this Agreement and applicable law.

**5. Restrictions on Transfer of Shares**

No shareholder shall sell, assign, pledge, or otherwise transfer any shares without first offering such shares to the other shareholders on a pro-rata basis (Right of First Refusal). Transfers shall be subject to approval as set forth herein.

**6. Tag-Along Rights**

If a shareholder proposes to sell shares to a third party, the other shareholders shall have the right to participate in the sale on a pro-rata basis under the same terms and conditions.

**7. Drag-Along Rights**

If shareholders holding a specified majority approve a sale of shares to a third party, minority shareholders shall be required to sell their shares on the same terms.

**8. Management and Board of Directors**

The Company shall be managed by a Board of Directors as set forth in the Company’s bylaws. Shareholders agree to vote their shares to elect directors in accordance with the terms of this Agreement.

**9. Decision Making**

Certain decisions require the approval of shareholders holding a majority or supermajority of shares as specified in this Agreement. Routine business decisions shall be made by the Board.

**10. Dividends and Distributions**

Dividends shall be declared and paid in accordance with the Company’s bylaws and applicable law, taking into account the financial position of the Company.

**11. Confidentiality**

Each shareholder agrees to keep confidential all non-public information regarding the Company and its business and shall not disclose such information except as required by law or agreed by the shareholders.

**12. Non-Competition and Non-Solicitation**

Shareholders agree not to compete with the Company or solicit its employees or customers during the term of their shareholding and for a reasonable period thereafter.

**13. Financial Information and Records**

The Company shall provide shareholders with regular financial statements and permit inspection of its books and records upon reasonable request.

**14. Dispute Resolution**

Any dispute arising out of or relating to this Agreement shall be resolved by mediation followed by binding arbitration in accordance with the laws of Canada.

**15. Term and Termination**

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

**16. Amendments**

This Agreement may be amended only by a written instrument 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 Canada and the applicable provincial laws.

**18. Notices**

All notices under this Agreement shall be in writing and delivered by hand, courier, certified mail, or electronic means to the addresses on record.

**19. Entire Agreement**

This Agreement constitutes the entire agreement among the shareholders relating to its subject matter and supersedes all prior agreements and understandings.

**20. Severability**

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

**21. Execution**

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

**Schedule A – Shareholders and Shareholdings**

A complete and updated list of all shareholders and their respective shareholdings in the Company is attached hereto as Schedule A.

| **SHAREHOLDER 1 SIGNATURE** | **SHAREHOLDER 2 SIGNATURE** |
| --- | --- |
| Signature: ___________________________ | Signature: ___________________________ |