SHAREHOLDER AGREEMENT

1. 1. Parties

This Shareholder Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] among [COMPANY NAME], a corporation organized under the laws of the State of [STATE OF INCORPORATION] with its principal place of business at [COMPANY ADDRESS] (the "Company"), and the individuals and entities listed in Schedule A, each a holder of record of shares in the Company (each a "Shareholder" and together the "Shareholders"). Schedule A lists the full legal name, notice address, share class, and number of shares held by each Shareholder as of the Effective Date, and will be updated as ownership changes. Each Shareholder represents that the person signing below has full authority to do so and that entering into this Agreement does not conflict with any other obligation binding on that Shareholder. Notices are effective when delivered to the addresses and email addresses recorded in Schedule A.

2. 2. Share Capital, Classes, and New Issuances

The authorized capital of the Company consists of [NUMBER] shares of [CLASS A / COMMON] stock and [NUMBER] shares of [CLASS B / PREFERRED] stock, of which the shares recorded in Schedule A are issued and outstanding. Holders of [COMMON] stock are entitled to one vote per share on all matters submitted to the Shareholders. Holders of [PREFERRED] stock are entitled to [VOTING RIGHTS] and to the economic preferences described in Schedule B, including a liquidation preference of [PREFERENCE MULTIPLE]. Before the Company issues any new shares, options, warrants, or securities convertible into shares, it will offer each Shareholder the right to subscribe for a portion sufficient to maintain the existing ownership percentage of that Shareholder, on the same price and terms, exercisable within [PRE-EMPTIVE NOTICE PERIOD, e.g., 20 days] of written notice. Shares not taken up may then be issued to third parties on terms no more favorable than those offered.

3. 3. Board Composition and Management

The board of directors of the Company will consist of [NUMBER] directors. So long as a Shareholder holds at least [BOARD THRESHOLD PERCENTAGE] of the outstanding voting shares, that Shareholder may nominate [NUMBER] director(s), and each Shareholder agrees to vote all shares under its control in favor of the nominees designated under this Section. [INDEPENDENT DIRECTOR PROVISION, e.g., one independent director will be appointed by mutual agreement]. Directors serve until removed by the Shareholder who nominated them, until resignation, or until they cease to be qualified. A quorum requires [QUORUM NUMBER] directors present, including at least one director nominated by each of [KEY SHAREHOLDER NAMES]. Board meetings will be held at least [MEETING FREQUENCY, e.g., quarterly], on not less than [BOARD NOTICE PERIOD, e.g., 10 days] written notice with an agenda and supporting materials. Day-to-day management is delegated to the officers listed in Schedule C, subject to the reserved matters in Section 4.

4. 4. Shareholder Voting and Reserved Matters

Ordinary business decisions are made by the board acting by majority vote. Notwithstanding that authority, the Company will not take any of the following actions without the prior written approval of Shareholders holding at least [SUPERMAJORITY PERCENTAGE, e.g., 75 percent] of the outstanding voting shares: amending the certificate of incorporation, bylaws, or this Agreement; issuing new shares or securities convertible into shares; selling, merging, or liquidating the Company or disposing of assets exceeding [ASSET THRESHOLD]; incurring debt or granting security above [DEBT THRESHOLD]; declaring or changing dividends; entering into any transaction with a Shareholder, director, officer, or related party; hiring or removing the chief executive or setting executive compensation above [COMPENSATION THRESHOLD]; changing the fundamental nature of the business; or commencing or settling litigation above [LITIGATION THRESHOLD]. Approval may be given at a meeting or by written consent signed by the required percentage.

5. 5. Dividend and Distribution Policy

Dividends and other distributions are declared at the discretion of the board, subject to the reserved matter approval required by Section 4 and to the solvency and capital requirements of applicable law. The Shareholders intend, without creating a binding obligation, that the Company will distribute at least [TARGET DISTRIBUTION PERCENTAGE] of annual net profits after providing for taxes, debt service, agreed reserves, and the capital expenditure budget approved for the following year. Distributions will be made to all holders of the same class pro rata according to the number of shares held, and any preference of the [PREFERRED] class described in Schedule B will be satisfied first. If the Company is taxed as a pass-through entity, the Company will make tax distributions sufficient for each Shareholder to pay the estimated tax on allocated income, calculated at an assumed rate of [ASSUMED TAX RATE], before any discretionary distribution is made.

6. 6. Transfer Restrictions and Permitted Transfers

No Shareholder may sell, assign, pledge, encumber, gift, or otherwise transfer any share or any interest in a share except as expressly permitted by this Agreement, and any attempted transfer in violation of this Section is void and will not be recorded in the share register of the Company. A Shareholder may transfer shares without triggering Sections 7 through 9 only to a Permitted Transferee, meaning a spouse, child, or lineal descendant, a trust established solely for the benefit of that Shareholder or those family members, or an entity wholly owned and controlled by that Shareholder. Every Permitted Transferee must sign a joinder agreeing to be bound by this Agreement before the transfer takes effect, and the transferring Shareholder remains responsible for compliance by that transferee. Each share certificate or book-entry record will carry a legend referring to the restrictions in this Agreement.

7. 7. Right of First Refusal

A Shareholder who receives a bona fide written offer from a third party to buy shares (the "Selling Shareholder") must first give written notice to the Company and to every other Shareholder identifying the proposed buyer, the number of shares, the price, and all material terms (the "Transfer Notice"). The Company has [COMPANY ROFR PERIOD, e.g., 20 days] from the Transfer Notice to elect to buy all or part of the offered shares on those same terms. Any shares the Company does not take are then offered to the other Shareholders, who have a further [SHAREHOLDER ROFR PERIOD, e.g., 20 days] to elect to buy, pro rata to existing holdings, with an oversubscription right for any unclaimed portion. If the offered shares are not fully taken up, the Selling Shareholder may sell all of them to the identified third party within [CLOSING WINDOW, e.g., 60 days] at a price not lower and on terms not more favorable than those in the Transfer Notice, and only if the buyer signs a joinder to this Agreement.

8. 8. Tag-Along Rights

If one or more Shareholders propose to transfer shares representing more than [TAG-ALONG TRIGGER PERCENTAGE, e.g., 30 percent] of the outstanding shares to a third party in a single transaction or a related series of transactions, and the right of first refusal in Section 7 has not been fully exercised, each other Shareholder may elect to participate in that sale on the same terms. Notice of the tag-along right will be given at the same time as the Transfer Notice, and a Shareholder must elect in writing within [TAG-ALONG ELECTION PERIOD, e.g., 15 days]. A participating Shareholder may sell the same proportion of its holdings as the selling Shareholder is selling of its own, and the number of shares the buyer purchases from the selling Shareholder will be reduced accordingly if the buyer will not increase the total. No transfer subject to this Section may close unless the buyer purchases the tagged shares at the same price per share and with the same form of consideration.

9. 9. Drag-Along Rights

If Shareholders holding at least [DRAG-ALONG THRESHOLD PERCENTAGE, e.g., 66.7 percent] of the outstanding voting shares (the "Dragging Shareholders") approve a sale of all outstanding shares, a merger, or a sale of substantially all assets to a bona fide unaffiliated third party, they may require every other Shareholder to participate. On written notice of at least [DRAG NOTICE PERIOD, e.g., 20 days], each remaining Shareholder will vote in favor of the transaction, waive any appraisal or dissenter rights, sell its shares at the same price per share and on the same terms, and sign the same transaction documents. No dragged Shareholder will be required to give representations other than as to ownership of its own shares, authority, and capacity, to accept liability greater than its pro rata share of the proceeds, to agree to a non-compete it did not separately negotiate, or to receive a form of consideration different from that received by the Dragging Shareholders.

10. 10. Compulsory Transfer Events and Share Valuation

On the death, permanent disability lasting more than [DISABILITY PERIOD], bankruptcy, termination of employment for cause, or transfer of shares by court order in a divorce or judgment enforcement, the affected Shareholder is deemed to have offered all shares to the Company, and then pro rata to the remaining Shareholders, at the price determined under this Section. The price is the fair market value of the shares as of the trigger date, determined first by written agreement of the parties within [AGREEMENT PERIOD, e.g., 30 days], and failing agreement by an independent appraiser experienced in valuing companies of similar size and industry, appointed by [APPOINTING BODY] and paid [FEE SPLIT, e.g., equally by the Company and the departing Shareholder]. The appraiser will value the Company as a going concern and will apply a minority discount of [MINORITY DISCOUNT, e.g., 0 percent] and a marketability discount of [MARKETABILITY DISCOUNT]. The purchase price is payable [PAYMENT TERMS, e.g., 25 percent at closing and the balance over 36 monthly installments with interest at the applicable federal rate].

11. 11. Deadlock Resolution

A deadlock occurs when a reserved matter under Section 4 or a matter properly before the board fails to receive the required approval at two consecutive meetings held at least [DEADLOCK INTERVAL, e.g., 15 days] apart, and a Shareholder gives written notice declaring a deadlock. The Shareholders will first refer the matter to the principal owners or their designated representatives for good-faith negotiation for [DEADLOCK NEGOTIATION PERIOD, e.g., 30 days], and then to non-binding mediation in [MEDIATION LOCATION] with a mediator experienced in shareholder disputes. If the deadlock persists, [DEADLOCK MECHANISM, e.g., either Shareholder may serve a buy-sell notice naming a price per share, and the recipient must within 30 days elect either to sell all of its shares at that price or to buy all of the shares of the offering Shareholder at that price]. Pending resolution, the Company will continue ordinary course operations, and no Shareholder will take unilateral action on the deadlocked matter.

12. 12. Information Rights and Reporting

The Company will deliver to each Shareholder unaudited financial statements within [MONTHLY REPORTING PERIOD, e.g., 30 days] after the end of each [MONTH OR QUARTER], and annual financial statements prepared in accordance with generally accepted accounting principles within [ANNUAL REPORTING PERIOD, e.g., 120 days] after each fiscal year end, [AUDITED OR REVIEWED] if requested by Shareholders holding at least [AUDIT REQUEST THRESHOLD] of the outstanding shares. The Company will also deliver an annual operating budget before the start of each fiscal year, prompt notice of any material litigation, default, regulatory action, or loss of a customer representing more than [MATERIAL CUSTOMER THRESHOLD] of revenue, and any information required for a Shareholder to prepare tax returns. Each Shareholder may inspect the books, records, and properties of the Company during normal business hours on reasonable written notice, at the cost of that Shareholder, for a purpose reasonably related to the investment held.

13. 13. Confidentiality and Restrictive Covenants

Each Shareholder will keep confidential all non-public information about the Company, including financial results, customer and supplier lists, pricing, technology, and strategic plans, and will use that information only in connection with the investment held or the role performed at the Company. These duties survive the sale or transfer of the shares of a Shareholder and continue for [CONFIDENTIALITY PERIOD, e.g., three years] afterward. While holding shares and for [RESTRICTED PERIOD, e.g., 12 months] after ceasing to hold them, no Shareholder holding at least [COVENANT THRESHOLD PERCENTAGE] of the outstanding shares will, within [GEOGRAPHIC AREA], own, manage, or provide services to a business that competes with the Company as it is then conducted, or solicit any customer, supplier, or employee of the Company. These restrictions do not prevent a passive investment of less than [PASSIVE INVESTMENT THRESHOLD, e.g., 2 percent] in a publicly traded company.

14. 14. Term, Governing Law, and General Provisions

This Agreement takes effect on the Effective Date and continues until the Company is dissolved, until one Shareholder holds all outstanding shares, until a sale of the entire company closes, or until terminated by written agreement of Shareholders holding at least [TERMINATION THRESHOLD PERCENTAGE] of the outstanding shares. It is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and any dispute not resolved under Section 11 will be brought exclusively in the state or federal courts located in [VENUE COUNTY AND STATE]. The Shareholders agree that damages alone are an inadequate remedy for breach of the transfer restrictions and that specific performance and injunctive relief are available. If this Agreement conflicts with the bylaws or certificate of incorporation, the Shareholders will act to amend those documents so far as the law allows. Any amendment must be in writing and signed by the Company and by Shareholders holding at least [AMENDMENT THRESHOLD PERCENTAGE] of the outstanding shares. If any provision is unenforceable, the remainder stays in force and the provision will be narrowed only as far as necessary.

15. 15. Signatures

By signing below, the Company and each Shareholder confirm that they have read this Agreement, understand it, and agree to be bound by its terms as of the Effective Date. COMPANY: [COMPANY NAME]. Signature: ______________________. Printed Name: [OFFICER NAME]. Title: [TITLE]. Date: [DATE]. SHAREHOLDER 1: [SHAREHOLDER NAME]. Signature: ______________________. Printed Name: [PRINTED NAME]. Shares Held: [NUMBER AND CLASS]. Date: [DATE]. SHAREHOLDER 2: [SHAREHOLDER NAME]. Signature: ______________________. Printed Name: [PRINTED NAME]. Shares Held: [NUMBER AND CLASS]. Date: [DATE]. Additional Shareholders sign the joinder attached as Schedule D. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

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