

Sample: Rights and Obligations in Corporate Shareholder Agreements

1. Shareholder Rights

- **Voting Rights:** Each shareholder has the right to vote at general meetings in proportion to their shareholding.
- **Dividend Rights:** Shareholders are entitled to receive dividends declared by the company, proportionate to the number of shares held.
- **Information Rights:** Shareholders may request access to the company's financial statements and records upon reasonable notice.
- **Pre-Emptive Rights:** Existing shareholders have the right of first refusal to subscribe for new shares issued by the company.
- **Tag-Along Rights:** Minority shareholders may elect to join a sale if majority shareholders sell their shares to a third party.
- **Right to Appoint Directors:** Shareholders holding a specified percentage of shares may nominate directors to the board.

2. Shareholder Obligations

- **Compliance:** Shareholders must comply with the terms of this Agreement and all applicable laws.
- **Confidentiality:** Shareholders are to keep confidential all sensitive company information obtained through their status.
- **Non-Compete:** Shareholders agree not to engage in business activities that compete with the company.
- **Capital Contributions:** Shareholders may be required to provide additional capital contributions as agreed by the parties.
- **Notification:** Shareholders must promptly notify the company of any transfer, assignment, or encumbrance of their shares.

3. Sample Clauses

1. Pre-Emptive Rights Clause:

"In the event the Company proposes to issue new shares, each Shareholder shall have the right to purchase a pro rata portion of such shares in accordance with their existing shareholding, on the same terms and conditions."

2. Tag-Along Provision:

"In the event that a Shareholder or group of Shareholders holding more than 50% of the shares intends to sell their shares to a third party, each remaining Shareholder shall have the right to include all or a proportionate part of their shares in such sale."

3. Confidentiality Obligation:

"Each Shareholder agrees not to disclose or use confidential information of the Company for any purpose other than as expressly permitted by this Agreement or required by law."

4. Signature

This document is a sample and for illustrative purposes only.

Shareholder Name: _____

Date: _____

