

# 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: \_\_\_\_\_

