

Shareholder Agreement Example (Dividend Policy)

1. Introduction

This Shareholder Agreement (‘‘Agreement’’) is entered into as of [Date] by and among [Company Name], a [State/Country] corporation (the ‘‘Company’’), and the undersigned shareholders (the ‘‘Shareholders’’).

2. Dividend Policy

The Shareholders agree that the Company's dividend policy shall be as follows:

- Subject to applicable laws and after the deduction of necessary reserves and the retention of sufficient funds for the continuing operation and expansion of the Company, the Company shall distribute dividends annually to the Shareholders.
- Dividends shall be declared and paid out to all Shareholders pro rata according to their respective shareholdings on the record date fixed for the dividend distribution.
- The declaration and payment of dividends, including the amount and timing, shall be approved by the Board of Directors in accordance with the Company’s articles of association.
- No dividends shall be paid if such payment would render the Company insolvent or violate applicable laws or regulations.

3. Review of Dividend Policy

The parties agree to review this dividend policy annually and make changes only upon the written consent of Shareholders holding at least [percentage, e.g., 75%] of the issued shares in the Company.

4. Miscellaneous

- This Agreement constitutes the entire agreement among the parties regarding dividend policy and supersedes any prior agreements.
- This Agreement may only be amended in writing signed by all parties.

5. Signatures

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[Shareholder Name]

[Shareholder Name]

[Company Name], by [Authorized Representative]