

Sample Shareholder Agreement for Funding Participation

This Shareholder Agreement ("Agreement") is made and entered into as of [Date], by and among the following parties (collectively, "Shareholders") and [Company Name], a [State/Country] corporation ("Company").

1. Purpose

The purpose of this Agreement is to govern the rights and obligations of the Shareholders with regard to participation in the funding and ownership of the Company.

2. Shareholder Contributions & Participation

1. **Initial Funding:** Each Shareholder shall contribute the following amounts to the Company upon execution of this Agreement:

Shareholder	Contribution Amount	Percentage Ownership
[Shareholder 1 Name]	[Amount]	[XX%]
[Shareholder 2 Name]	[Amount]	[XX%]

2. **Additional Funding:** Any additional funding requirements shall be agreed upon in writing by all Shareholders, specifying the terms and conditions of such funding.

3. Rights and Obligations of Shareholders

- Each Shareholder shall have voting rights proportional to their ownership percentage.
- Share transfers require written consent of the majority of Shareholders.
- Shareholders agree not to transfer, pledge, or encumber their shares except as permitted by this Agreement.

4. Management and Governance

- The business and affairs of the Company shall be managed by a Board of Directors elected as per the ownership percentages.
- Major decisions, including mergers, acquisitions, and amendments to this Agreement require approval by [specify: all/majority] Shareholders.

5. Dispute Resolution

Any disputes arising out of or in connection with this Agreement shall be resolved through [arbitration/mediation] in accordance with the rules of [Specify Institution].

6. Miscellaneous

- This Agreement constitutes the entire agreement among the Shareholders with respect to the subject matter hereof.
- This Agreement shall be governed by and construed in accordance with the laws of [State/Country].
- Amendments to this Agreement must be in writing and executed by all Shareholders.

Signatures

[Shareholder 1 Name]

Date: _____

[Shareholder 2 Name]

Date: _____

Important Notes:

- This document is a template and should be tailored to specific requirements and regulations.
- Legal counsel is recommended to ensure compliance with local laws and correct structuring.
- Clear definition of ownership, funding responsibilities, and dispute resolution is critical.
- All parties should fully understand the rights and obligations described before signing.