

Equity Participation Shareholder Agreement

This Equity Participation Shareholder Agreement ("Agreement") is made and entered into on **[Date]** by and among:

1. **[Company Name]**, a company incorporated and existing under the laws of **[Jurisdiction]**, having its principal place of business at **[Address]** (the "Company"); and
2. The persons listed in the schedule attached hereto as Schedule 1 (the "Shareholders").

Collectively referred to as the "Parties".

1. Purpose

The purpose of this Agreement is to set out the rights, obligations, and relationships of the Shareholders in relation to their equity participation in the Company.

2. Shareholding Structure

The shareholding structure of the Company as of the date of this Agreement is as follows:

Shareholder	No. of Shares	Percentage Ownership
[Shareholder 1]	[X]	[X%]
[Shareholder 2]	[Y]	[Y%]
[Shareholder 3]	[Z]	[Z%]

3. Rights and Obligations

- Each Shareholder shall exercise their voting rights in accordance with the percentages set out above.
- Dividends shall be distributed pro rata based on shareholdings, subject to applicable laws and available profits.
- No Shareholder shall transfer, assign, or otherwise dispose of any shares without prior written consent of the other Shareholders and compliance with the terms herein.

4. Management and Governance

- The Shareholders shall appoint a Board of Directors consisting of [Number] members.
- The Shareholders shall have the right to nominate directors in proportion to their shareholding.
- Major decisions (including the issuance of new shares, mergers, amendments to the articles, etc.) require approval by at least [Threshold]% of the shareholding.

5. Exit and Transfer Provisions

- No Shareholder may transfer shares to a third party without offering them first to the other Shareholders (Right of First Refusal).
- In the event of a proposed sale of the Company, tag-along and drag-along rights apply as described in Schedule 2.

6. Confidentiality

All Parties shall keep confidential any non-public information regarding the Company and this Agreement, unless disclosure is required by law.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of **[Jurisdiction]**.

[Shareholder 1 Name]

Date: _____

[Shareholder 2 Name]

Date: _____

[On behalf of Company]

Date: _____

Important Notes:

- This template is a starting point and should be tailored by a qualified attorney to suit the specific needs and jurisdiction of the Parties.
- Clear provisions for dispute resolution and deadlock situations are recommended.
- Equity participation agreements can have major tax, legal, and financial implications.
- All parties should fully understand the terms before signing.
- Schedules referenced (e.g., Shareholder list, tag/drag rights) should be attached and completed.