

# Shareholders Agreement (Equity Funding)

This Shareholders Agreement ("Agreement") is made on this [Date] by and between:

- [Company Name], a company incorporated under the laws of [Jurisdiction], having its registered office at [Registered Address] (hereinafter referred to as the "Company"); and
- [Shareholder 1 Name], residing at [Address];
- [Shareholder 2 Name], residing at [Address];

(Hereinafter collectively referred to as the "Shareholders" and individually as a "Shareholder")

## 1. Purpose

The purpose of this Agreement is to set forth the terms and conditions relating to the ownership, management, rights, and obligations of the Shareholders concerning their equity participation in the Company.

## 2. Equity Funding and Shareholding

- The Shareholders agree to collectively subscribe to the following equity shares in the Company:

Shareholder Name	Number of Shares	Shareholding %
[Shareholder 1 Name]	[No. of Shares]	[xx%]
[Shareholder 2 Name]	[No. of Shares]	[xx%]

## 3. Rights and Obligations of Shareholders

- Each Shareholder shall have the right to vote in accordance with their shareholding.
- Shareholders undertake not to transfer their shares except as provided in this Agreement.
- Shareholders shall contribute further capital only upon mutual agreement.

## 4. Board of Directors

- The Board shall consist of [Number] directors as mutually agreed.
- Shareholders may nominate directors proportional to their equity stake.

## 5. Restrictions on Transfer

- No Shareholder shall transfer any shares to any third party without first offering such shares to the other Shareholders (Right of First Refusal).
- Permitted transfers shall be subject to approval by the Board.

## 6. Exit and Termination

- The Agreement may be terminated upon [conditions, e.g. mutual consent, liquidation, etc.].
- In the event of public offering or sale of the company, the Agreement shall terminate.

## 7. Miscellaneous

- This Agreement shall be governed by the laws of [Jurisdiction].
- Any dispute shall be resolved amicably or through arbitration at [City], as per [Arbitration Rules].

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[Company Name]

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[Shareholder 1 Name]

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[Shareholder 2 Name]

### Important Notes:

- This document is a sample and should be customized for specific equity funding arrangements.
- Legal counsel should review before execution to ensure compliance with applicable laws.
- Clear exit and dispute resolution clauses are critical for safeguarding interests.
- Shareholder rights, obligations, and restrictions must be described explicitly.
- This Agreement does not replace Articles of Association or statutory requirements.