

# Silent Partner Capital Participation Document

Date: \_\_\_\_\_

Project/Company Name: \_\_\_\_\_

Silent Partner: \_\_\_\_\_

Managing Partner(s): \_\_\_\_\_

## 1. Purpose

This document serves as an agreement between the Silent Partner and the Managing Partner(s) regarding the Silent Partner's capital participation in the above-mentioned project/company. The Silent Partner invests capital with limited involvement in daily management and operations.

## 2. Capital Contribution

The Silent Partner agrees to contribute capital in the amount of: \$\_\_\_\_\_.

The contribution will be made via (wire transfer / cheque): \_\_\_\_\_

Date of Capital Contribution: \_\_\_\_\_

## 3. Participation & Entitlements

- The Silent Partner shall own \_\_\_\_\_ % of the project's/company's equity or profit interest, subject to the terms outlined herein.
- The Silent Partner is entitled to a proportionate share of profits, dividends, or distributions as defined and agreed upon.
- No involvement in day-to-day management or operations is granted to the Silent Partner, except as otherwise expressly allowed.

## 4. Duration

This participation will commence on \_\_\_\_\_ and continue until termination by written agreement or as otherwise provided in the Company's governing documents.

## 5. Withdrawal & Transfer

- The Silent Partner may withdraw or transfer their participation, subject to notice requirements and transfer procedures as agreed upon.
- All such withdrawals or transfers shall be made in compliance with any legal or contractual limitations.

## 6. Confidentiality

The Silent Partner agrees to maintain confidentiality regarding all information learned as a result of this participation, except as required by law or with written consent.

## 7. Governing Law

This document shall be governed by and construed in accordance with the laws of \_\_\_\_\_.

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Silent Partner

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Managing Partner

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## **Important Notes**

- This document is a sample and should be tailored to the specific transaction and legal requirements.
- Silent Partners are typically not liable beyond their investment.
- Seek legal counsel before entering into any capital participation arrangement.
- All terms of profit distribution and transfer should be clearly defined and understood by all parties.
- This document does not replace a full partnership agreement or shareholder agreement if required.