

Capital Reduction Agreement

This Capital Reduction Agreement ("Agreement") is made and entered into on this **[Date]** by and between:

[Company Name], a company incorporated under the laws of **[Jurisdiction]** and having its registered office at **[Address]** ("Company");

And

[Shareholder Name(s)] ("Shareholder(s)").

1. Purpose

The parties hereby agree to reduce the share capital of the Company in accordance with applicable laws and regulations.

2. Capital Reduction Details

The issued and paid-up share capital of the Company, currently standing at **[Current Capital Amount]** divided into **[Number of Shares]** shares of **[Share Par Value]** each, shall be reduced to **[Reduced Capital Amount]** by way of **[method of reduction, e.g., cancellation of shares, return of capital]**.

3. Procedure

The Company shall convene a general meeting to seek approval of the shareholders for the proposed capital reduction in accordance with its Articles of Association and the applicable statutory requirements.

4. Effect of Capital Reduction

Upon completion and registration of the capital reduction, the share capital of the Company shall stand reduced, and necessary changes shall be made in the register of members and other statutory records as required.

5. Representations and Warranties

Each party represents and warrants that it has the power and authority to enter into this Agreement and perform its obligations herein.

6. Governing Law

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

7. Signatures

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

For and on behalf of

[Company Name]

Signature: _____

Name: [Authorized Signatory]

Date: _____

Shareholder(s):

Signature: _____

Name: [Shareholder Name]

Date: _____

Important Notes

- Capital reduction may require approval from shareholders and regulatory authorities.
- Proper statutory procedures and filings must be completed to make the reduction effective.
- Impact on creditor protection and potential liabilities should be carefully reviewed.
- Legal and financial advice is recommended before proceeding with capital reduction.