

Capital Reduction Agreement

Shareholder Approval Template

This Capital Reduction Agreement ("Agreement") is made and entered into as of **[Date]**, by and between:

Company Name:	[Company Legal Name]
Company Registration No.:	[Registration Number]
Registered Address:	[Registered Address]
Shareholder(s):	[Shareholder Name(s)]

(Each a "Party" and together, the "Parties")

1. Background

WHEREAS, the Company has determined that it is in the best interests of the Company and its shareholders to reduce its issued and paid-up capital as further specified below;

2. Reduction of Capital

The Parties hereby agree that the issued and paid-up share capital of the Company shall be reduced from **[Current Amount]** to **[Reduced Amount]**, by way of **[method of reduction, e.g., cancellation of shares or return of capital]**, subject to all necessary legal and regulatory approvals.

3. Shareholder Approval

The reduction of share capital is subject to approval by a special resolution of the shareholders of the Company passed at a duly convened general meeting, in accordance with the Company's Articles of Association and applicable laws.

4. Effective Date

This Agreement shall become effective as of the date on which all relevant approvals have been obtained and the capital reduction has been registered with the applicable regulatory authority.

5. Miscellaneous

- This Agreement contains the entire understanding between the Parties regarding the subject matter herein.
- Any amendment to this Agreement must be made in writing and signed by all Parties.
- This Agreement shall be governed by and construed in accordance with the laws of [Jurisdiction].

Signatures

Shareholder Name	Signature	Date
[Shareholder 1 Name]	_____	_____
[Shareholder 2 Name]	_____	_____

Important Notes

- This template is a sample and should be reviewed and adapted by legal professionals before use.
- All necessary company and regulatory approvals must be obtained for validity.
- The shareholders' consent should be obtained by a special resolution as required by law.
- Statutory filings may be required following approval of the capital reduction.
- Consult local laws for specific requirements related to capital reduction procedures.