

UK-CPsha01

Shareholders' agreement: standard version

Agreement between shareholders for the regulation of

[Company name]

Dated: [date]

This agreement is dated: []

The Company is: [company] (" ")

The Company's registered office is: [/]

The Shareholders are:

[name] of [address]

[name] of [address]

[name] of [address]

[name] of [address]

The background to this agreement is:

- A. [Company name] is a private limited company, number [1234567], [] [] .
- B. The parties have agreed these terms in order to [] [] .

These are the terms of the agreement:

1. Definitions

These definitions apply unless the context [] :

Act: means the Companies Act 2006 and any subsequent [] , [] [] .

Articles: means articles of [] .

Business: means the business of [state nature of business concisely].

Confidential Information: means all information, including:

personal data, as defined in applicable law, owned by any data subject whom a party to this agreement may contact in relation [] [] [] .

including intellectual property of all kinds coming into existence after today; and including, among others, ■■■■, ■■■■, ■■■■■■■■■■, ■■■■, ■■■■, ■■■■, ■■■■■■■■■■, ■■■■, ■■■■■■■■■■.

Transfer Date: means a date when a shareholder transfers shares, whether or not ■■■■■■■■■■ ■■■■■■■■■■.

2. Interpretation

In this agreement unless the context otherwise requires:

- 2.1. A reference to a person includes a human individual, a corporate entity and any organisation ■■■■■■■■■■ ■■■■■■■■■■.
- 2.2. Any reference to a person made in the agreement is to be ■■■■■■ ■■■■■■■■■■ - ■■■■.
- 2.3. A reference to a person or party includes reference to that person's successors, legal representatives, permitted assigns and any person to whom rights and obligations are transferred or pass as ■■■■■■■■■■ ■■■■■■■■■■, ■■■■, ■■■■■■■■■■ - ■■■■■■■■■■.
- 2.4. A reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context ■■■■■■■■■■. ■■■■■■■■■■ ■■■■■■■■■■.
- 2.5. The headings to the paragraphs and schedules (if any) to this agreement are inserted ■■■■■■■■■■ ■■■■■■■■■■.
- 2.6. Unless the context requires otherwise, words importing the singular include the plural and vice versa, and pronouns importing a ■■■■■■ ■■■■■■■■■■, ■■■■■■■■■■.
- 2.7. Any agreement by any party not to do or omit to do something includes an obligation not to allow some ■■■■■■■■■■ ■■■■■■■■■■.
- 2.8. [\[Except where stated otherwise\]](#), any obligation of any person arising from this ■■■■■■■■■■ ■■■■■■■■■■.

.....
.....

7.3. To nominate some person other than a shareholder, a shareholder shall write to the [\[company secretary\]](#)
..... [.....
.....]
..... ,
..... .

7.4. A Director who is not a shareholder may be appointed only if such director's appointment is
[80] %
..... -
..... .

7.5. A Director may be removed by a vote to that effect at
.....
.....
..... .

8. Duties of Directors

8.1. After completion of this agreement,
..... .

8.2. The Directors of
..... :

[\[Name\]](#),

[\[Name\]](#),

[\[Name\]](#),

9. Proxy votes

9.1. Any action or decision which may be taken
..... , ,
..... .

9.2. A shareholder

- 17.2. The assets listed under the [2] .
- 17.3. This paragraph applies to those assets and also , .
- 17.4. Unless a clear intention of gift , .
- 17.5. Each shareholder, who has permitted assets of any description :
- 17.5.1 is limited to ;
- 17.5.2 prohibits reproduction in , ;
- 17.5.3 shall terminate at any time [] .

18. Confidentiality

- 18.1. Each shareholder :
- 18.1.1 not remove from Company's premises or copy or allow anyone else to copy , , ;
- 18.1.2 in respect of any part of the Confidential Information of the Company, from today until , , ;
- 18.1.3 comply with the law , , .

Signed by [\[full name\]](#), a shareholder:

Schedule 1: Existing IP owned by IP shareholder

[.....]

Schedule 2: Ownership of assets used by the Company

Yours faithfully,

Explanatory notes:

Shareholders' agreement: standard version

General notes

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Using this document

1. This document has been drawn on the assumption that your company was formed after the 1st of January 2007. Accordingly, there is no reference ■■■ ■■■■■■■■■■ “■■■■■”.

If your company was formed before that date and still uses old style Table A articles, ■■■■■■■■■■.

If you have just formed your company, you will probably want to change your articles in any case. The default “model” version provided by Companies House is unnecessarily restrictive and inflexible and will make company administration more difficult for you. We explain more in an article at <https://www.netlawman.co.uk/ia/avoiding-conflict-shareholders-agreement-articles-association>.

..... -
.....

The usual way to provide for an outside shareholder
.....

We recommend that you leave this paragraph substantially ,
.....

14. Actions requiring shareholders' consent

The default position is that shareholders can do almost anything with a majority of over 50%. We
.....
..... 50 %.

You can set the percentage that you want and list the decisions that you want. You could include personal use of company jet or whether dogs
..... ,
.....
.....

15. Existing Intellectual Property

When a company is first formed, it is usual, rather than exceptional, for it to use intellectual property owned by one of more of its new shareholders. That may be to exploit a patent, ,
..... , , , ,
..... " "
.....

As new shareholders are brought in (and this agreement is required) IP ownership records become lost or ignored. At some stage, either the IP owner, or some other
.....
.....
.....

This paragraph provides a route through the maze. The ideal provision is not one that needs to be in this agreement at all. It is to identify essential IP and make sure the owner either assigns it to
.....
.....
-
.....

