

# Silent Partner Shareholder Agreement Draft

This Silent Partner Shareholder Agreement ("Agreement") is made and entered into as of \_\_\_\_\_, 20\_\_\_, by and among:

- **Corporation:** \_\_\_\_\_ ("Corporation")
- **Active Shareholders:** \_\_\_\_\_
- **Silent Partner:** \_\_\_\_\_ ("Silent Partner")

## 1. Purpose

This Agreement sets out the terms and conditions governing the rights and obligations of the Silent Partner and Active Shareholders in the Corporation.

## 2. Shareholding & Capital Contributions

- The Silent Partner shall hold \_\_\_\_\_ % of the issued and outstanding shares of the Corporation.
- The Silent Partner's investment shall be \$\_\_\_\_\_ in consideration for their shareholding.
- Active Shareholders shall contribute capital as follows: \_\_\_\_\_.

## 3. Role of Silent Partner

- The Silent Partner shall not participate in the day-to-day management or operations of the Corporation.
- The Silent Partner shall have the right to receive all information provided to shareholders and may attend shareholder meetings but shall have no authority to bind or represent the Corporation.

## 4. Rights and Obligations

- The Silent Partner is entitled to dividends and distributions proportionate to their shareholding.
- Active Shareholders will manage all business affairs, make operational decisions, and exercise all powers not expressly given to the Silent Partner under this Agreement.

## 5. Confidentiality

All parties agree to maintain confidentiality regarding all proprietary and sensitive information relating to the Corporation's business.

## 6. Transfer of Shares

No party may transfer or assign shares without the prior written consent of the other parties and in accordance with the Corporation's bylaws and this Agreement.

## 7. Term & Termination

This Agreement shall remain in effect until the shares are transferred, the Corporation is liquidated, or by mutual written agreement of the Parties.

## 8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State/Province of \_\_\_\_\_.

## 9. Entire Agreement

This Agreement constitutes the entire understanding among the parties and supersedes all prior discussions and agreements.

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Corporation Representative

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Date

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Silent Partner

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Date