

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.

Corporation Representative

Date

Silent Partner

Date