

SHAREHOLDER AGREEMENT

REPUBLIC OF ZAMBIA

THIS SHAREHOLDER AGREEMENT is made and entered into this _____ day of _____, 20, by and among:

(1) [FULL NAME], of [Address], National Registration Card (NRC) Number _____, hereinafter referred to as “Shareholder 1”;

(2) [FULL NAME], of [Address], NRC Number _____, hereinafter referred to as “Shareholder 2”;

(3) [NAME OF COMPANY], a company duly incorporated under the Companies Act No. 10 of 2017 of the Laws of Zambia, with its registered office at [Insert Address], hereinafter referred to as “the Company”.

WHEREAS:

A. The Shareholders are the legal and beneficial owners of shares in the Company as set forth herein.

B. The Shareholders wish to enter into this Agreement to record their understanding regarding the management, operation, and ownership structure of the Company.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires:

“Act” means the Companies Act No. 10 of 2017 of the Laws of Zambia.

“Board” means the board of directors of the Company.

“Shares” means ordinary shares in the issued capital of the Company.

2. SHAREHOLDING STRUCTURE

Each Shareholder shall hold the following proportion of the issued share capital:

Shareholder 1: _____%

Shareholder 2: _____%

3. MANAGEMENT AND BOARD PARTICIPATION

The Company shall be managed by a Board of Directors. Each Shareholder shall be entitled to nominate one director for every _____% of the shares held in the Company.

4. DIVIDEND POLICY

Dividends shall be declared annually subject to the availability of distributable profits and approval by the Board, in accordance with Section 64 of the Companies Act No. 10 of 2017.

5. TRANSFER OF SHARES

No Shareholder shall transfer or sell any shares in the Company without first offering those shares to the other Shareholder(s) on the same terms.

6. CONFIDENTIALITY

All parties shall maintain strict confidentiality over Company affairs, business plans, financials, and trade secrets, both during and after the term of this Agreement.

7. DISPUTE RESOLUTION

Any dispute arising out of or in connection with this Agreement shall be resolved amicably. Where the parties fail to reach settlement, the dispute shall be referred to arbitration in accordance with the Arbitration Act No. 19 of 2000.

8. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the Laws of the Republic of Zambia.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, or arrangements relating to the subject matter hereof.

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

SIGNED by SHAREHOLDER 1

Name: _____

Signature: _____

Date: _____

SIGNED by SHAREHOLDER 2

Name: _____

Signature: _____

Date: _____

SIGNED for and on behalf of the COMPANY

Name: _____

Position: _____

Signature: _____

Date: _____

For Official Use – Patrick Chulu Legal Practitioners

Verified by: _____

Date: _____

Stamp: _____