

Vanguard & Co. Shareholder Agreement

1. Purpose

The purpose of this agreement is to outline the rights and obligations of the shareholders of **Vanguard & Co.**, providing a framework for governance, equity distribution, and decision-making among shareholders.

2. Equity Ownership

- **Share Classes:** The company may issue multiple classes of shares, each carrying specific rights, including voting rights and dividend entitlements.
- **Issuance of Shares:** New shares can only be issued by a majority vote of the existing shareholders. Preemptive rights allow shareholders to maintain their percentage ownership.

3. Voting Rights

- **Board Elections:** Shareholders have the right to elect the members of the Board of Directors at the **Annual General Meeting (AGM)**.
- **Major Corporate Decisions:** Certain decisions, such as mergers, acquisitions, or liquidation, require approval by a two-thirds majority of the shareholders.

4. Dividends and Profit Distribution

- **Dividend Policy:** Dividends will be declared at the discretion of the Board of Directors. Shareholders are entitled to receive dividends based on their shareholding class and ownership percentage.
- **Profit Reinvestment:** The Board may decide to reinvest profits into the business for growth or distribute them to shareholders, as appropriate.

5. Transfer of Shares

- **Right of First Refusal:** Existing shareholders have the right to purchase shares before they are offered to external parties.
- **Share Transfer Restrictions:** Shareholders may not transfer shares to competitors or any entities that could harm the company's interests.

6. Exit Strategies

- **Buyout Clauses:** In the event of a shareholder's exit, the company or remaining shareholders will have the option to buy the departing shareholder's equity at a fair market value.
- **Tag-Along and Drag-Along Rights:** In the event of a sale to a third party, minority shareholders have the right to participate (tag-along), and majority shareholders may require minority shareholders to sell under the same terms (drag-along).

7. Conflict Resolution

- **Dispute Resolution:** Any disputes between shareholders shall first be attempted to be resolved through mediation. If unresolved, disputes will be settled by arbitration under the laws of **Redmont**.

8. Confidentiality

- **Non-Disclosure:** Shareholders agree to maintain the confidentiality of any proprietary or sensitive information regarding **Vanguard & Co.**

Additional Provisions to Consider:

9. Capital Contributions

- **Obligation to Fund:** Shareholders may be required to make additional capital contributions if necessary to fund the operations or growth of the company. This would be subject to a vote of the shareholders.

10. Deadlock Resolution

- **Resolution Mechanism:** In the event that the Board of Directors or shareholders are unable to agree on key issues, a deadlock resolution mechanism, such as appointing a third-party arbitrator or using a buy-sell provision, may be invoked to resolve disputes.

11. Shareholder Rights to Information

- **Inspection Rights:** Shareholders have the right to inspect the company's financial records, meeting minutes, and other relevant documents, provided they have a legitimate purpose for doing so.

12. Shareholder Meetings

- **Frequency and Notice:** The company will hold regular shareholder meetings, including an Annual General Meeting (AGM), with proper notice provided to all shareholders.

13. Indemnification of Directors

- **Director Liability Protection:** Shareholders agree to indemnify directors for any liabilities incurred while acting in the best interest of the company, except in cases of willful misconduct or gross negligence.