

# DWDP

DE WET DU PLESSIS

ATTORNEYS

## **Shareholders Agreements** Do I need one? Why?



## WHAT IS A SHAREHOLDERS AGREEMENT?

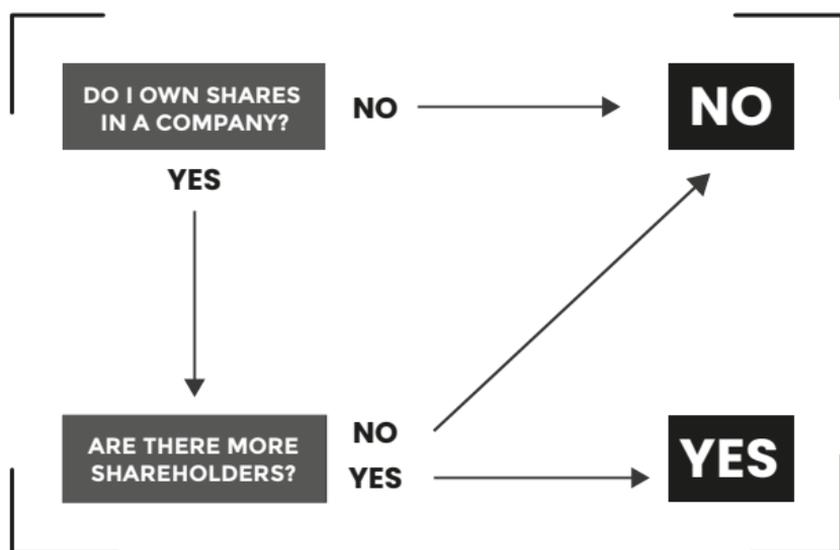
A shareholders agreement is an agreement between the owners of a company setting out how they are going to run the company together.

## Shareholders Agreements Self Assessment Tests

### Take **assessment one**

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#### Do I need a Shareholders Agreement?



My answer was **yes** but **why** do I need a shareholders agreement?

# Take **assessment two**

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## Can you answer the following questions?

1. What happens if a shareholder wants to add another partner to the company but there is disagreement?
2. What happens if there is a deadlock and the Shareholders cannot agree on company matters?
3. What is each shareholders' roles and responsibilities and powers to make decisions?
4. When and how do you pay dividends?
5. What happens if a shareholder wants to sell their shares?
6. After leaving the company can a shareholder compete with the company?



**If you can't** answer many of these questions with certainty they are likely to become issues and points of disagreement and uncertainty when the situations arise.

## **Okay so what now?**

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Put these matters beyond doubt by putting a well drafted, easy to understand, shareholders agreement in place and avoid uncertainty or messy disputes. When things do become strained your shareholders agreement will serve as a guide to all partners on how to navigate through disputes easily and fairly.

## **Contact us!**

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We can assist you with this process which does not need to be difficult or expensive. Contact us for a quote.

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