

Shareholder / Partnership Agreement Guide

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Business Partnerships

Entering into a business partnership can add tremendous value and resources to your company, as long as expectations and boundaries are set before investment occurs. Your ideal partner should have the same strong commitment and passion for the business. Your skills, values and individual visions should complement each other. Furthermore, if you communicate, trust and respect your partnership and the goals of the business, you will understand that you can challenge each other and be creative together.

Creating an Agreement

Even if you have verbally agreed upon your individual roles, terms and expectations, consider a written formal partnership / shareholder agreement. An agreement ensures you and your partner(s) are all aware of what the vision is for the business, what your individual responsibilities are, and how to proceed in the event of a disagreement.

What is included in the agreement?

- Partners / shareholders information and their investments
- Business name, address, website, phone number
- Nature and scope of predicted duration of business activity
- Date to review the agreement
- Detail each contribution and the terms of each shareholder loan
- Banking and signing authorities
- Pay out (dividends) / compensation (salaries, out-of-pocket expenses) policy
- Insurance coverage(s)
- Record-keeping, accounting and auditing policy
- Exit (retirement, lost interest, death) and dissolution policy
- Arbitration and settlement procedures

Once you have had preliminary conversation with your partners, you can begin to create your document. Request a standard partnership or shareholder agreement template from Square One and use it as a starting point. Be sure to consider speaking to a lawyer before signing a contract or agreement.

Saskatchewan's Business Resource Centre

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Our Mission

To assist Saskatchewan entrepreneurs in preparing for the first steps of starting or growing their business.



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