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Quebec Shareholders' Agreements: Clauses Before Templates

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Executive Summary

A **Quebec shareholders agreement** should be prepared around governance, financing, transfers and exits before a founder team selects a template. BDC describes the agreement as supplementing the articles of incorporation. The first question is whether the owners want contractual coordination or a **unanimous shareholder agreement (USA)** that restricts directors' management powers. (www.bdc.ca) Quebec's statutory unanimity includes nonvoting shareholders. Recipients of transferred powers acquire corresponding directors' duties and liabilities, while federal legislation addresses that allocation under its own framework. (www.legisquebec.gouv.qc.ca) (www.legisquebec.gouv.qc.ca) (laws-lois.justice.gc.ca)

The practical work is a **decision-rights worksheet**: board representation, reserved decisions, financial information, future funding, departure triggers, valuation and dispute processes. BLG discusses defining how business decisions are made; Osler distinguishes minority-investor consent and participation protections. (www.blg.com) (www.osler.com) Information rights also require precision: federal guidance distinguishes accessible corporate records from board and accounting records. A general promise of transparency should be converted into a defined reporting package for counsel to review. (ised-isde.canada.ca)

The numerical core is voting and ownership, not template popularity. Federal ordinary resolutions use a **majority of votes cast**; special resolutions require **at least two-thirds**, or the statutory unanimous-signature alternative. (laws-lois.justice.gc.ca) (laws-lois.justice.gc.ca) Both the Quebec and federal frameworks make share rights and articles relevant; Quebec provides a one-vote-per-share default subject to the articles. (www.legisquebec.gouv.qc.ca) Three explicitly hypothetical scenarios examine equal founders, unequal founders and a new share issue. In the issue example, each founder's 50 shares become 40% of 125 issued shares after 25 new shares are issued. These are stated fictional inputs and arithmetic, not observed business data. (ised-isde.canada.ca) Quebec's USA provision additionally identifies a conditional **30-day** annulment period after an inadequately informed new shareholder becomes aware of the agreement, for an acquisition for value. (www.legisquebec.gouv.qc.ca)

Transfer, exit and deadlock mechanisms should be selected with resources and circumstances in view. A right of first refusal addresses an offer to existing owners; a buy-sell process additionally needs price and funding decisions. (www.ahbl.ca) Northern Law identifies unequal financial resources as a shotgun-clause concern. (northernlaw.ca) CVCA's models expressly require tailoring. (www.cvca.ca) The report therefore supplies a clause-decision table, worked scenarios and a counsel handoff checklist. It offers educational issue spotting, with no executable clause wording, tax structuring or assumption that Quebec and federal corporations use identical documents.

Introduction and Background

A **Quebec shareholders agreement** should begin with a business discussion: who decides, who contributes money, who may become an owner, and what happens when an owner leaves. BDC describes the agreement as a private contract that supplements the articles of incorporation. Its subject matter should be turned into decisions to resolve before comparing templates. (www.bdc.ca)

The relevant corporate statute comes first. A corporation operating in Montreal may have been **incorporated under Quebec legislation or federally**. The Quebec Business Corporations Act defines its own scope; operating location alone is therefore an inadequate drafting instruction. Founders should bring the certificate and articles to counsel rather than assume that a Canadian template addresses their corporation's rules. (www.legisquebec.gouv.qc.ca)

This report provides **educational issue spotting**, not clause language. Its worksheet is an analytical preparation tool. It does not determine enforceability, prescribe a valuation, or replace review of the actual corporate documents. The Canadian Venture Capital and Private Equity Association (CVCA) expressly describes its models as documents requiring adaptation. Counsel should assess the actual facts and documents. (www.cvca.ca)

For Montreal teams, workspace arrangements are another document category: the publisher, **2727 Coworking**, supplies private offices. A **workspace contract** belongs in the operational file; founders should separately identify who can authorize that commitment under their governance arrangements. The office offering itself provides no evidence about corporate voting or shareholder rights. (2727coworking.com)

The central distinction is between a contract organizing the shareholders' relationship and a **unanimous shareholder agreement (USA)** that restricts directors' powers. Corporations Canada explains that signatures from every shareholder do not, by themselves, produce that statutory effect. The agreement must address transferring powers from directors. This distinction matters before anyone chooses a form headed "unanimous." (ised-isde.canada.ca)

Key Changes: From Template Shopping to Governance Decisions

"Key changes" here means changes in the founders' preparation process, not newly enacted amendments. The first change is to identify the governing statute. The next is to decide whether the board retains its management powers. The final change is to turn broad intentions into an agreed decision map. Corporations Canada's description of bylaws as internal-affairs rules helps distinguish them from the ownership agreement. (ised-isde.canada.ca)

Separate agreement coverage from transferred powers

An **ordinary shareholders agreement** can organize voting, transfers and other commitments without necessarily restricting directors' management powers. Federal legislation separately recognizes written shareholder voting agreements. Corporations Canada distinguishes such arrangements from a statutory USA by whether directors' powers are transferred. Calling an agreement unanimous because everyone signed obscures that distinction. (laws-lois.justice.gc.ca) (ised-isde.canada.ca)

For a Quebec corporation, the statutory route involves all shareholders, including holders of nonvoting shares. The Quebec provision also permits a written sole-shareholder declaration. Consequently, “we have only one owner” and “this person cannot vote” are not reliable shortcuts for identifying the legal character of a management arrangement. (www.legisquebec.gouv.qc.ca)

Table 1 distinguishes the questions founders should bring to counsel. The table describes decision categories, rather than a substitute legal test. The governing provisions remain the starting point. (laws-lois.justice.gc.ca)

Question	Ordinary agreement preparation	USA preparation
Who agrees?	Identify the parties and commitments.	Check statutory unanimity, including nonvoting holders where applicable.
What is being controlled?	Voting, ownership and contractual processes.	Identify the directors' management powers being restricted.
Who carries responsibility?	Review each person's existing role.	Review duties and liabilities attached to transferred powers.
What happens when ownership changes?	Plan signing and document updates.	Check statutory adherence, notice and disclosure rules.

The practical implication is to list powers individually. “All major decisions require shareholder approval” leaves counsel to determine whether the intended restriction changes the board's statutory role. The Quebec Act attaches directors' rights, duties, obligations and liabilities to recipients of transferred powers, to the corresponding extent. Federal legislation has its own provision. (www.legisquebec.gouv.qc.ca) (laws-lois.justice.gc.ca)

Address timing before the ownership changes

An incoming shareholder changes the preparation problem. The founders must identify the newcomer, their shares and the documents they will receive. Quebec legislation addresses a new shareholder's adherence to a USA and also addresses insufficient notice. Those rules should be reviewed before a transfer or subscription closes. (www.legisquebec.gouv.qc.ca)

A sole founder can still prepare an ownership plan and review any existing management declaration. Multiple founders should resolve their decision process before commitments accumulate. Pending financing adds another reason to revisit the documents: RBC recommends review when shareholders arrive or leave, while CVCA's models belong to a coordinated financing-document set. Neither source establishes a universal founder template or a mandatory funding stage. (www.rbcwealthmanagement.com) (www.cvca.ca)

Decision Rights and Minority Protection

Ownership percentage, a board seat and a contractual veto answer different questions. A percentage describes an ownership interest; a seat concerns board participation; consent rights concern specified decisions. Corporations Canada describes shares as an ownership interest. Lavery's succession guidance separately identifies board composition, while Osler discusses consent rights confined to fundamental matters. (ised-isde.canada.ca) (www.lavery.ca) (www.osler.com)

Founders should identify the decision-maker before selecting a threshold. A board vote is not interchangeable with a shareholder vote. Federal statutory defaults distinguish board quorum from shareholder voting, and share voting is subject to the articles. A cap table alone does not establish the complete decision process. (laws-lois.justice.gc.ca) (laws-lois.justice.gc.ca)

Table 2 is the **clause-decision worksheet**. Its options and trade-offs are analytical prompts, not prescribed clauses. The underlying subjects are supported by professional guidance on decision processes and dispute resolution. (www.blg.com) (www.lavery.ca)

Business question	Founder choices	Trade-off	Document location to check	Professional-review trigger
Who sits on the board?	Founder nominees; outside member; changing representation.	Participation versus practical meeting decisions.	Articles, bylaws, agreement.	Appointment, removal or quorum uncertainty.
Which decisions need consent?	Defined reserved matters; ordinary delegation.	Protection versus slow approvals.	Agreement; USA analysis.	Restriction of board powers.
What information is supplied?	Financial updates; budget reports; access process.	Oversight versus reporting burden.	Agreement and statutory records.	Assuming all records are accessible.
Who funds the next round?	Optional participation; separately agreed contributions.	Flexibility versus financing uncertainty.	Agreement, articles, financing documents.	New class or participation rights.
Who may buy shares?	Permitted transfers; first refusal; approval process.	Ownership control versus liquidity.	Articles and agreement.	Transfer to a newcomer.
What triggers an exit?	Sale; death; disability; defined departure.	Continuity versus individual flexibility.	Agreement; related insurance review.	Different treatment by departure reason.
How is the price set?	Agreed method; expert determination; scheduled review.	Predictability versus changing business value.	Agreement and valuation instructions.	Discounts, dispute or stale valuation.
How do owners sell together?	Tag rights; drag rights; defined conditions.	Minority participation versus collective sale certainty.	Agreement and share rights.	Unequal economic treatment.
How does a deadlock end?	Escalation; mediation; planned buyout route.	Preserving operations versus finality.	Agreement and dispute process.	Unequal funding capacity.

The **document-location column** is deliberately a review instruction. It does not claim that every choice belongs in one contract or that an agreement overrides legislation. The USA analysis requires particular care because restricting board powers can transfer corresponding responsibilities. (www.legisquebec.gouv.qc.ca)

For minority protection, convert broad promises into reviewable questions:

- **Information:** Which financial reports arrive, and who prepares them?
- **Consent:** Which fundamental decisions need additional approval?
- **Representation:** How are board participants selected and replaced?
- **Participation:** Can an owner join future equity issues?
- **Exit:** Can a minority owner join a controlling owner's sale?

These prompts connect protections to defined processes. Osler discusses fundamental-matter consent, financing participation and tag-along rights; those concepts should be adapted to the actual ownership structure rather than assumed to arise automatically. (www.osler.com)

Statutory records access also needs precision. Corporations Canada's federal guidance lists specified corporate records available on request but distinguishes them from board minutes and accounting records. A proposed information package should therefore identify the reports founders want, instead of using “access to everything” as an undefined promise. (ised-isde.canada.ca) (ised-isde.canada.ca)

Money, Future Financing and Dilution

A **future-financing decision** has separate components: whether to raise money, which instrument to use, who may participate, and who approves it. BDC lists issuing new shares as a shareholders-agreement subject. Participation and approval are separate worksheet questions; the team should not infer an automatic contribution obligation from a general financing discussion. (www.bdc.ca)

Founders should bring the following questions to counsel:

- **Capital needs:** What operating plan creates the likely funding requirement?
- **Participation:** Does each owner want an opportunity to contribute?
- **Capacity:** What happens if an owner cannot participate?
- **Approval:** Who authorizes the proposed financing?
- **Share rights:** Will the financing change the share classes?
- **Distributions:** How should dividend decisions enter the governance map?

These are planning prompts, not a list of required legal provisions. Federal statutory pre-emption depends on what the articles provide, and the statute contains exceptions. Founders should distinguish a desired contractual participation arrangement from an assumed statutory entitlement. (laws-lois.justice.gc.ca) (laws-lois.justice.gc.ca)

Separate dilution arithmetic from control

Issuing additional shares changes the ownership denominator. Whether it also changes voting or economic control depends on the rights attached to the shares and the relevant governance documents. Federal legislation's default share vote is expressly subject to the articles; therefore an equal-rights arithmetic example cannot establish the outcome for multiple classes or special rights. (laws-lois.justice.gc.ca) (cdn-contenu.quebec.ca)

A useful preparation exercise is to calculate ownership before and after a proposed issue, then examine approval and participation separately. The hypothetical scenarios later in this report assume equal voting common shares and no other rights. Those assumptions should appear on the worksheet given to counsel.

Pre-emptive participation and **reserved approval** should also be discussed separately. Participation can address percentage ownership; consent can address whether a fundamental transaction proceeds. Osler discusses both as distinct minority-investor protections. This separation helps founders articulate the commercial outcome they want without treating a veto as a substitute for funding. (www.osler.com)

Match models to the transaction

CVCA's download listings include a document identified as a unanimous shareholders agreement based on National Venture Capital Association (NVCA) documents. That establishes the model's stated lineage, not its suitability for a small founder team. (www.cvca.ca)

The association's adaptation warning remains central. A coordinated financing model requires review against the proposed transaction and the founders' actual decision map. (www.cvca.ca)

This discussion identifies the model listing and does not assess the downloadable agreement's clauses. A founder team should instead tell counsel its financing stage, expected investor type and existing documents, then ask which model, if any, helps organize the transaction.

Transfers, Departures and Valuation

Share transfer restrictions address who may become an owner. A **right of first refusal (ROFR)** addresses the process when an owner wants to sell: Alexander Holburn describes offering shares to existing shareholders first. Founders should ask counsel to connect that process to transfer approval, permitted recipients and the corporation's existing documents. (www.ahbl.ca)

The planning question is more specific than "can a founder leave?" A voluntary sale, death, disability and the end of an operating role may call for different treatment. BDC identifies death, disability and termination as possible share-sale triggers. BLG also discusses share distribution on death alongside estate planning. (www.bdc.ca) (www.blg.com)

Define the event before deciding its consequence

Prepare an **exit-event inventory**:

- **Voluntary sale:** Who receives the offer, and what information accompanies it?
- **Death:** Who is expected to buy, and how is the purchase funded?

- **Disability:** What event or evidence starts the process?
- **Operational departure:** How does leaving a role affect continued ownership?
- **Permitted transfer:** Which recipients need special consideration?
- **Change of control:** When do joint-sale rights become relevant?

The inventory is an issue list for review, not executable conditions. Founder vesting can connect ownership to time or performance, according to Blueprint Law. Its guidance also identifies good-leaver and bad-leaver terms as related design questions. These concepts require clear definitions rather than a label standing alone.

(www.blueprintlaw.ca) (www.blueprintlaw.ca)

A **good leaver** and **bad leaver** are contractual categories, not universal answers for Quebec founders. McMillan's Canadian private-equity commentary describes death, disability and retirement as usual good-leaver circumstances within that transaction context. That example should not be imported automatically into a small founder corporation or used to establish a default repurchase price. (mcmillan.ca)

Value, date and payment are distinct choices

Agreeing to a buyout does not settle its price or funding. Montreal firm Schwalb Legal distinguishes net book value from market value as valuation bases. RBC recommends addressing an agreed valuation method and disagreement over the result. Founders should state what they expect the method to capture before requesting drafting. (schwalblegal.com) (www.rbcwealthmanagement.com)

The review should cover the **valuation date**, the method, the valuer, the information supplied, treatment of disputed assumptions and the payment process. These are this report's analytical prompts. RBC specifically identifies the method and source of funding for redemption arrangements following death or disability. Lavery discusses life insurance as a possible source of funds for a death-triggered purchase or redemption.

(www.rbcwealthmanagement.com) (www.lavery.ca)

Insurance therefore belongs in a separate professional review connected to the agreement's intended transaction. The founders' handoff should identify any existing policy and its intended function. This report does not prescribe coverage, tax treatment or the correct purchaser.

Tag-along rights allow minority holders to participate in another holder's sale; **drag-along rights** can require their participation. Osler describes both in a sponsor-investment context. Founders should review trigger conditions, transaction coverage and economic treatment rather than assume that inserting the labels settles how a collective sale works. (www.osler.com)

Deadlock and Dispute Processes

A **deadlock clause** should identify the decision that is stuck and the mechanism for moving forward. Disagreement about a budget is different from an unresolved departure valuation. Lavery recommends conflict-resolution mechanisms tailored to the parties' needs. That supports designing a process around the corporation's likely disputes instead of treating every disagreement as a buyout event. (www.lavery.ca)

For an evenly divided ownership structure, founders should examine both shareholder decisions and the board's process. The federal default board quorum concerns a majority of directors, while shareholder resolution rules concern votes cast. A change in board composition or quorum can therefore matter independently of a change in ownership. (laws-lois.justice.gc.ca)

Examine the resources behind a shotgun clause

A **shotgun clause** is a buy-sell mechanism. Alexander Holburn describes an initiator who must be prepared to buy at the price they offer. Its commercial attraction depends on a real ability to choose between buying and selling. Northern Law warns that owners with fewer financial resources can face pressure to sell. (www.ahbl.ca) (northernlaw.ca)

The worksheet should test the assumed symmetry. Can each founder arrange financing? Can each obtain the relevant information? Is the response period workable? Does the proposed payment structure match available resources? Northern Law specifically identifies the balance between practical response periods and fairness. These questions should be answered before counsel is asked to draft a buy-sell mechanism. (northernlaw.ca)

Calling a clause “fair” because the price works both ways leaves financing capacity unexamined. This report therefore recommends a **capacity review** as part of the handoff, without asserting that any particular mechanism is legally invalid or universally unsuitable. The concern is grounded in the documented resource imbalance. (northernlaw.ca)

Design an escalation path

An analytical escalation sequence can help founders describe what they want:

- **Identify:** Record the unresolved decision and its operational effect.
- **Discuss:** Specify who must participate in a focused meeting.
- **Inform:** Identify documents needed before further discussion.
- **Mediate:** Ask counsel how a facilitated process would fit.
- **Resolve:** Separate valuation questions from governance questions.
- **Continue:** Decide which routine activities should proceed meanwhile.

This sequence is a worksheet recommendation, not a sourced statutory procedure. Lavery's guidance supports tailoring the dispute mechanism and considering continued operations and confidentiality. Counsel should determine how the selected process relates to the other documents and the governing law. (www.lavery.ca)

Implementation Considerations and Process Changes

The **counsel handoff pack** should convert a general request for an agreement into facts, decisions and unresolved questions. RBC recommends advice responsive to individual circumstances. Lavery also cautions that agreements may stop fitting as the business and its shareholders evolve. Preparation should therefore describe the current company, not only its incorporation-day intentions. (www.rbcwealthmanagement.com) (www.lavery.ca)

Bring the following material:

- **Corporate identity:** Certificate, jurisdiction and current articles.
- **Ownership:** Current cap table, share classes and proposed changes.
- **Governance:** Board composition, bylaws and existing resolutions.
- **Existing agreements:** Signed shareholder documents and amendments.
- **Decision map:** Matters delegated and matters needing extra consent.
- **Financing plan:** Expected needs and participation preferences.
- **Exit inventory:** Proposed triggers, buyers and unanswered questions.
- **Valuation brief:** Desired method, date and information requirements.
- **Funding evidence:** Relevant insurance and available buyout resources.
- **Open decisions:** A short list of matters the founders have not agreed.

This is the report's preparation checklist. Federal corporate-records guidance identifies articles, bylaws, any USA and shareholder records as distinct records, reinforcing the need to collect the existing document set. A coordinated review should also examine the relationship among the documents. (ised-isde.canada.ca)

Keep connected documents visible

A shareholders agreement is not the complete corporate file. The founders should ask counsel which decisions belong in articles or bylaws, which belong in the agreement, and which require another document. Quebec registry guidance identifies share rights, transfer restrictions and director numbers as matters that may require articles of amendment, with prior shareholder authorization by special resolution. For a federal corporation, the articles can determine statutory pre-emption arrangements. (www.quebec.ca) (laws-lois.justice.gc.ca)

Employment arrangements, intellectual property (IP) ownership and insurance are connected review areas. This report does not draft those agreements. The Canadian Intellectual Property Office (CIPO) advises checking written IP assignments from employees and contractors before a technology-transfer or spin-off deal. Existing IP arrangements therefore belong in the handoff rather than being inferred from share ownership. (ised-isde.canada.ca)

If a USA restricts directors' powers, the handoff must identify who receives those powers. Quebec legislation requires declaring the agreement's existence or termination to the enterprise registrar. Where all board powers are withdrawn, additional particulars concerning the persons assuming them are specified. Those filing questions belong in the implementation plan. (www.legisquebec.gouv.qc.ca) (www.legisquebec.gouv.qc.ca)

An incoming owner's document delivery also belongs on the closing checklist. Quebec legislation addresses adherence by a new shareholder and the consequences of inadequate notice. Counsel should confirm the disclosure and signing steps applicable to the actual transaction. (www.legisquebec.gouv.qc.ca)

Data Analysis and Evidence

The quantitative evidence here concerns **voting rules and ownership arithmetic**, not survey findings or market demand. No search-volume estimates or agreement-adoption rates are presented. Illustrative percentages below are calculated from stated hypothetical inputs; they are not observed founder outcomes.

For federal corporations, an ordinary resolution is defined by a **majority of votes cast**. A special resolution requires **at least two-thirds of votes cast**, or the statutory written-signature alternative. These denominators are votes cast, not automatically all issued shares. Founders should not turn these definitions into a universal contractual threshold. (laws-lois.justice.gc.ca) (laws-lois.justice.gc.ca)

Quebec legislation independently provides for ordinary and special resolutions. The corresponding provisions should be checked under the Quebec statute rather than assumed from a federal template. Corporate quorum, class rights and the actual documents remain part of the decision analysis. (www.legisquebec.gouv.qc.ca)

Table 3 contains **three worked cap-table scenarios (Hypothetical Examples)**. Every input is invented for illustration. Assume equal voting common shares, one vote per share, no special consent rights and attendance and voting by every holder. Both Quebec and federal legislation provide a one-vote-per-share default subject to the articles. The examples do not establish the rules of any particular corporation. (www.legisquebec.gouv.qc.ca) (laws-lois.justice.gc.ca)

Scenario (Hypothetical Example)	Ownership calculation	Governance calculation under stated assumptions	Question for counsel
Equal founders	A and B each hold 50 of 100 shares: 50% each. (ised-isde.canada.ca)	Agreement between them is needed to exceed half the votes when both vote; neither alone reaches two-thirds. (www.legisquebec.gouv.qc.ca)	How will the board and an unresolved shareholder decision operate?
Three founders	A holds 60, B holds 25 and C holds 15 of 100 shares: 60%, 25% and 15%. (ised-isde.canada.ca)	A exceeds half; A alone is below two-thirds. A plus C has 75%, while B plus C has 40%. (laws-lois.justice.gc.ca)	Which fundamental matters should require additional consent?
Incoming shareholder	A and B start with 50 shares each; the company issues 25 new shares to C. Total: 125. Ownership becomes 40%, 40% and 20%. (ised-isde.canada.ca)	A plus C has 60%; A plus B has 80%. C's participation changes potential voting combinations. (laws-lois.justice.gc.ca)	Who approves the issue, and do existing owners have participation rights?

The table's calculations use **shares held divided by total issued shares**. In the final example, the issue increases the denominator from 100 to 125 while each founder keeps 50 shares. Their ownership changes from 50% to 40%, a reduction of **10 percentage points**, or **20% relative to the original percentage**. These are arithmetic results from fictional inputs, not claims about investment returns. (ised-isde.canada.ca)

The interpretation is conditional. It assumes everyone votes, equal rights and no additional approval requirement. Different attendance, class rights, reserved matters or a USA may change the decision pathway. Federal share-voting defaults are subject to the articles, and Corporations Canada explains the distinct management effect of a USA. (laws-lois.justice.gc.ca) (ised-isde.canada.ca)

Quebec's new-shareholder provision also supplies a concrete timing issue: where its statutory conditions concerning inadequate notice apply, it provides a **30-day** period after awareness to seek annulment of an acquisition for value. This is an issue for timely legal review, not a general right to unwind any disliked shareholder arrangement. (www.legisquebec.gouv.qc.ca)

Implications and Future Directions

The useful output from preparation is an agreed **decision record**, with open questions plainly identified. A template can then be evaluated against that record. RBC's advice to revisit an agreement when owners change supports treating the document as responsive to the actual corporation.

(www.rbcwealthmanagement.com)

Three review triggers deserve particular attention: a new shareholder, a change in financing plans and a change in the role of a founder. Each can alter the issues already discussed: participation, departures, document delivery and control. Quebec's USA provisions specifically address ownership changes.

(www.legisquebec.gouv.qc.ca)

For Montreal teams, **operational continuity** also includes knowing who can authorize external commitments and where the underlying contracts are stored. The publisher's virtual tour lists conference-room services as a workspace offering. That is an example of an operational service whose contract belongs alongside other commitments in the company file; it supplies no shareholder-governance rule. (2727coworking.com)

A future investor may propose different documents or additional rights. The founders' preparation should therefore preserve the reasoning behind their current choices: why a reserved decision needs consent, why a departure triggers a buyout and how that buyout could be funded. The purpose of recording these reasons is to make later review more concrete.

No agreement can be evaluated from its heading alone. For a USA, the Quebec and federal statutory provisions tie the consequences to the powers restricted and the persons receiving them. Founders should ask counsel to explain that allocation using their decision map before signing, and revisit it when the map changes.

(www.legisquebec.gouv.qc.ca) (laws-lois.justice.gc.ca)

Frequently Asked Questions (FAQs)

Is a Quebec shareholders agreement template enough?

A template is a starting point for review. CVCA says its models must be tailored. Start with the statute, existing documents and the worksheet's unresolved choices. (www.cvca.ca)

Does unanimous simply mean everyone signed?

Corporations Canada says an agreement signed by all shareholders does not become a statutory USA without dealing with transferred director powers. Quebec legislation has its own written unanimity and power-restriction provisions. (ised-isde.canada.ca) (www.legisquebec.gouv.qc.ca)

Can a sole shareholder have a USA?

Corporations Canada recognizes a sole owner's written declaration, and Quebec legislation also provides for a written declaration. Whether a particular document has that effect requires review of its contents and governing statute. (ised-isde.canada.ca) (www.legisquebec.gouv.qc.ca)

Does a minority shareholder automatically get every record?

Federal guidance distinguishes accessible corporate records from board and accounting records. Identify the desired information and ask counsel to review statutory rights and any additional contractual reporting arrangement. (ised-isde.canada.ca) (ised-isde.canada.ca)

Is a shotgun clause always the best deadlock solution?

The sources do not establish a universal best mechanism. Northern Law identifies resource imbalance as a concern, while Lavery recommends tailoring dispute mechanisms to the parties' needs. Review capacity and the intended escalation process. (northernlaw.ca) (www.lavery.ca)

Conclusion

The decision before a Quebec founder team is which risks to resolve before drafting: decision authority, financing participation, ownership changes, departure funding, valuation and unresolved disputes. The worksheet organizes those questions into a reviewable record. BLG's guidance on defining how business decisions are made supports beginning with the company's circumstances rather than relying on a document's title. (www.blg.com)

The most consequential distinction is the **allocation of management powers**. An agreement coordinating shareholder commitments and a statutory USA require different questions. Quebec legislation attaches directors' duties and liabilities to recipients of transferred powers, and federal legislation addresses the corresponding allocation under its own framework. Founders should understand that consequence before approving the document. (www.legisquebec.gouv.qc.ca) (laws-lois.justice.gc.ca)

The cap-table examples show why arithmetic and governance must be examined together. Ownership percentages are useful inputs, but voting rights, board processes and reserved decisions must also be identified. The examples intentionally use simple assumptions, not a claim that all companies operate under identical rules.

A complete handoff includes the current corporate documents, the cap table, the proposed transaction, the founders' agreed choices and a concise list of unresolved matters. It also identifies related valuation, insurance and IP questions without attempting to draft those arrangements here. The resulting preparation gives counsel something concrete to assess and gives founders a clearer basis for understanding the document they eventually sign.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/glossary/shareholders-agreement>
2. <https://www.legisquebec.gouv.qc.ca/en/version/cs/S-31.1?code=se:213>
3. <https://www.legisquebec.gouv.qc.ca/en/version/cs/S-31.1?code=se:214>
4. <https://laws-lois.justice.gc.ca/eng/acts/C-44/FullText.html>
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THE PUBLISHER

About 2727 Coworking

2727 Coworking is a Montreal workspace and business-address provider. We serve people who need a place to focus, meet, run a small business or establish a professional mailing presence. Our website offers English and French information about workspace options and services, alongside educational resources for operating a business in Canada.

A workspace that fits the day

Our workspace options include private offices, day passes and desks, and a conference room. These formats help individuals and teams compare a dedicated office with more flexible ways to work or hold a meeting. Prospective members can explore the virtual tour, review current pricing and book a visit before choosing a workspace.

Business addresses and mail

2727 Coworking provides business-address and virtual-mailbox services. Our resources explain the documents and practical questions involved, including guidance for people outside Canada. Service eligibility, included features, availability and access arrangements should be confirmed on the applicable service page or with our team.

Resources for Canadian small businesses

We publish guides, research and planning tools about workspace decisions, business addresses and starting a business in Canada. Our incorporation research includes information for people inside Canada and abroad, with jurisdiction-specific material to help readers identify the next questions to investigate. These educational resources complement our workspace and address services; they are not individualized legal, tax or immigration advice.

Visit or contact 2727 Coworking

Explore [private offices](#), [day passes and desks](#), [the conference room](#), [business addresses](#) and [virtual mailboxes](#). [Book a visit or contact the team](#) to discuss your needs.

A business address alone does not establish tax residence, immigration status, banking approval or eligibility for a government program.

Website: <https://2727coworking.com>

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