

SHAREHOLDER AGREEMENT

This Shareholder Agreement ("Agreement") is entered into as of January 1, 2023, by and among the shareholders of ControlSync Solutions, a Texas corporation (the "Company").

ARTICLE I: DEFINITIONS

- 1.1 "Shares" shall mean the issued and outstanding common stock of the Company.
- 1.2 "Shareholder" means any individual or entity holding registered shares of the Company's capital stock.
- 1.3 "Transfer" means any sale, assignment, pledge, encumbrance, or other disposition of shares.
- 1.4 "Fair Market Value" means the most recent valuation of the Company's shares as determined by an independent third-party valuation.

ARTICLE II: SHARE OWNERSHIP AND CAPITALIZATION

- 2.1 Current Capitalization The Company's current authorized capital consists of 10,000,000 common shares, with 3,750,000 shares currently issued and outstanding.
- 2.2 Ownership Restrictions No shareholder may transfer shares without complying with the rights of first refusal and transfer restrictions outlined in this Agreement.

ARTICLE III: TRANSFER RESTRICTIONS

- 3.1 Right of First Refusal Any shareholder proposing to sell or transfer shares must first offer such shares to existing shareholders on a pro-rata basis at the proposed sale price.
- 3.2 Permitted Transfers Transfers to immediate family members or trusts controlled by the shareholder are permitted with written board approval.
- 3.3 Drag-Along and Tag-Along Rights In the event of a potential sale representing more than 50% of the Company's equity, minority shareholders may be required to participate in the transaction.

ARTICLE IV: GOVERNANCE AND VOTING

4.1 Voting Rights Each share shall be entitled to one vote on all matters submitted to shareholders.

4.2 Shareholder Meetings Annual meetings shall be held no later than 120 days following the end of each fiscal year.

4.3 Quorum Requirements A majority of issued and outstanding shares must be present to constitute a quorum for shareholder decisions.

ARTICLE V: VALUATION AND BUYOUT PROVISIONS

5.1 Valuation Methodology Share valuation shall be determined annually using a combination of: - Discounted cash flow analysis - Comparable company multiples - Independent third-party appraisal

5.2 Mandatory Buyout Events Shares must be repurchased in the following circumstances: - Death of a shareholder - Permanent disability - Voluntary or involuntary termination of employment - Bankruptcy of a shareholder

ARTICLE VI: CONFIDENTIALITY AND INTELLECTUAL PROPERTY

6.1 Confidentiality Obligations Shareholders agree to maintain strict confidentiality regarding the Company's proprietary information, trade secrets, and business strategies.

6.2 Intellectual Property Assignment All intellectual property developed by shareholders in connection with the Company remains the exclusive property of ControlSync Solutions.

ARTICLE VII: DISPUTE RESOLUTION

7.1 Mediation Any disputes arising from this Agreement shall first be submitted to mediation in Austin, Texas.

7.2 Arbitration Unresolved disputes shall be settled through binding arbitration under American Arbitration Association rules.

ARTICLE VIII: MISCELLANEOUS PROVISIONS

8.1 Amendments This Agreement may be amended with written consent of shareholders representing 75% of outstanding shares.

8.2 Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

SIGNATURE BLOCK

IN WITNESS WHEREOF, the parties have executed this Shareholder Agreement as of the date first above written.

[Signature Lines for Shareholders]

Approved by the Board of Directors: ____ **Date:** _____

Witness: ____ **Date:** _____