



## Shareholder Agreement

This Shareholder Agreement ("Agreement") is made and entered into as of **December 2, 2024** by and between: Calm Candles Essential Limited also known as CCE ("Company") and James Anthony Davis ("Shareholder") with the HKID of [ M958587 ( 2 ) ].

### 1. Shares

James Anthony Davis ("Shareholder") shall receive 30 % equity shares in the Calm Candles Essential Limited LTD, subject to the terms of this Agreement.

### 2. Responsibilities

The Shareholder agrees to the following responsibilities, including but not limited to:

- **Operational Involvement:** Actively participate in daily operations to ensure business efficiency and respond at least within 24 hours.
- **Collaboration:** Work collaboratively with team members, leveraging each other's strengths to achieve the Company's goals.
- **Decision Making:** Provide input on strategic decisions that positively impact the business.
- **Financial Oversight:** Monitor and manage Company expenditures based on shareholding and/or per capita.
- **Reporting:** Provide updates on progress and challenges encountered in the role.

### 3. Cost Sharing

3.1 **Cost of Business:** Marketing expenses including social media fees, product photography, promotional ads, influencer partnerships, and brand growth initiatives that benefits everyone will be allocated based on headcount, following a "Per Capita" Business Model that benefits all shareholders.

3.2 **Expenditures:** The Shareholder shall be responsible for the following costs, as examples:

- Storage fee (per head)
- Event costs that are held by CCE (cost and profit per head)
- Manufacturing cost for products (cost and profit per percentage share)
- Annual fee for any platform that CCE will join or already in existence, including but not limited to HKTVmall with costs (per percentage share)
- **Capital Call:** A monthly contribution of HK\$6,000 among shareholders will cover unexpected shipment expenses and potential charges from institutions like HSBC, Google, Shopify, and booth-related costs.
- **5%** of HK\$6000 is **HK\$300**
- **15%** of HK\$6000 is **HK\$900**
- **30%** of HK\$6000 is **HK\$1800**



#### 4. **Commitment and Duration**

- 4.1 Term: Shareholder agrees to commit to this Agreement by **December 2, 2024**. If the Agreement cannot be fulfilled, shares will be returned to CCE, which may consider the shares as a donation to be kept for the business's benefit.
- 4.2 Share Increase: Shareholder retains the right to request more shares. CCE has the discretion to increase shares based on performance and contributions, contingent on mutual agreement.

#### 5. **Termination and Restrictions**

- 5.1 Termination: This Agreement may be terminated if either party breaches terms, particularly actions that cause damage to the business, or refuses to sign before **December 2, 2024**.
- 5.2 This contract is valid until **December 2, 2025**.

#### 6. **Warnings and Prohibited Actions:**

- 6.1 Warnings: If any negative actions are observed, CCE will issue a formal warning to the Shareholder.
- 6.2 Prohibited Actions: Shareholder agrees not to harm CCE's reputation in any form including but not limited to negative comments regarding personnel or the business, whether on social media or other platforms, that could harm CCE's reputation.

#### 7. **Miscellaneous**

- 7.1 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of Hong Kong SAR.
- 7.2 Amendments: Any amendments to this Agreement must be in writing and signed by both parties.
- 7.3 Severability: If any provision of this Agreement is found to be unenforceable, the remaining provisions shall continue to be valid and enforceable.

The parties hereto have executed this Agreement as of the day and year first above written.

On behalf of

**Calm Candles Essential Limited**

**Shareholder**

Obinna Uzozie

Name: James Anthony Davis

CEO of Calm Candles Essential Limited

Marketing Director

Signature: \_\_\_\_\_

Signature: James Anthony Davis

Date: \_\_\_\_\_ 2024.

Date: 30th November 2024.