1.3 Information sheet – Shareholder agreement

Formation of the shareholder agreement

A shareholder agreement is a contract between the shareholder(s) of the Special Purpose Vehicle (SPV) relating to the ownership and management of the SPV. The agreement is a critical document as it sets the environment of shareholder rights and regulations for the management and operational policies of the SPV.

The *Financial Administration and Audit Act 1977* provides that a department and other entities or persons using 'public moneys' may form, or participate in the formation of, a company, or otherwise become a parent entity in relation to a company, **only** following the Queensland Treasurer's approval.

The member agency, in this instance the Department of Infrastructure and Planning, and Queensland Treasury are the key stakeholders and accountable for the development of the shareholder agreement in the formation phase of the SPV.

What should a shareholder agreement include?

In principle, a shareholder agreement specific to the purpose and structure of the SPV, should cover all aspects of the relationship and the mechanics by which the SPV is to be operated. The shareholder agreement should also protect the respective interests of the shareholders and outline dispute resolution provisions in the event of any disagreement between these parties.

Ensuring the shareholder agreement is upheld and current

Each agreement will contain items that need to be complied with. These may be specific to a shareholders' expectations or a regulatory/specified standard. These items require policies and procedures to ensure consistent performance and compliance is achieved.

A process for review of the shareholder agreement should be implemented, with a review being conducted by the Board at least annually. Should a material modification be required, the process should include approval by the Queensland Treasurer after consultation.

More information

For more information, please visit www.dip.qld.gov.au or email SPV@dip.qld.gov.au.

Queensland Government
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