

## **JOINT VENTURE AGREEMENT**

This Agreement is made on the **Date Month Year BETWEEN ABC [INDIVIDUAL/PARTNERSHIP/LLP/COMPANY]** incorporated/established under the appropriate laws of the country having its office/resides at **[ADDREE OF THE REGISTERED OFFICE]** of the ONE PART and XYZ. **[INDIVIDUAL/PARTNERSHIP/LLP/COMPANY]** incorporated/established under the appropriate laws of the country having its office/resides at **[ADDREE OF THE REGISTERED OFFICE]** of the OTHER PART.

WHEREAS **ABC** (hereinafter referred to as **FIRST PARTY**) carries on business as a manufacturer of and dealer and exporter in Computers, Computer Hardware, and Softwares and has a worldwide market and intends to extend its market here in India and elsewhere. Whereas **XYZ** (hereinafter referred to as the **SECOND PARTY**) carries on business as a manufacturer of, dealer in and exporter of Computer Softwares and intends to expand its business in India and abroad.

Whereas ABC and XYZ intend to co-operate in manufacturing/dealing in and exporting Computers, Hardware, and Softwares in India and abroad for mutual benefit by setting up a new company.

**NOW, THESE PRESENTS WITNESSETH** and the parties hereby agree as follows:

- A Joint-stock company would be formed under the name and style of A&X PVT. LTD under the Companies Act 2013 having its Registered Office at **[COMPLETE ADDRESS OF THE PREMISES]** and three of its nominees and XYZ and three of its nominees would be the subscribers to the Memorandum and Articles of Association of the said company to be incorporated.
- The shareholding in the Share Capital of the said company to be incorporated would be in equal proportions between XYZ and ABC
- The Memorandum and Articles of Association of the company proposed to be incorporated would be settled in mutual consultation and the same would govern the rights and obligations of ABC and XYZ in relation to the said proposed company.

- ABC will be allotted shares in the said new company partly in cash and partly towards the cost of plant, machinery, and equipment to be supplied by XYZ to the new company and in consideration for assignments by ABC of its Patent Rights, Trade Marks, Trade Names and Licences in favour of the new company to be incorporated. The consideration for allotment of shares to ABC would also include the supply and transfer of technical formula, new inventions, secret processes, technical information concerning the production, manufacturing, testing, specifications, instructions and information as to the manufacture of, development, use and servicing, maintenance and improvement of quality of Computers, Hardware and Softwares and generally in connection with the successful carrying on of the said business by the said new company to be incorporated.
- Will furnish necessary technical assistance and expertise to the new company for assembling, installation, start-up and for smooth running of the manufacturing and selling processes as might be required by the new company from time to time.
- Will furnish to the new company all other technical assistance and advice in relation to the operation of the plant and machinery, repairs thereof, testing facilities, training facilities and Research & Development facilities should be arranged for, provided and continued for the successful running of the business of the new company.
- The shares that would be allotted by the new company should not be transferred by either ABC or XYZ within a period of five years from the date of allotment and thereafter if any of the parties intends to transfer any share then the same shall be offered first to the other party at a price to be determined by a Valuer to be appointed by mutual agreement and in absence by application to the Indian Chamber of Commerce.
- The new company will manufacture Computers, Hardware and Softwares and allied accessories and products and the same would be marketed in India and exported to other countries under the Trade name or Brand name made available by ABC and by any other name and shall obtain new Trade Mark and obtain Patents for further and better manufacturing, selling and exporting the new company's products.

- ABC will buy 75% of the products of the new company for exporting; to other countries through its own organizations or outlets at a remunerative price not below the price at which the products are sold in India.
- Neither party shall carry on their own business in a manner which will directly adversely affect the business and profitability of the new company.
- The expenses for the setting up and promotion of the new company would be shared equally by ABC and XYZ.
- The consideration for allotment of shares of the new company to XYZ shall be paid in cash and in-kind such as by transfer of immovable properties for the setting up of the factory and make arrangement for the office accommodation of the new company. The valuation of such immovable properties including office accommodation would be decided by mutual agreement between ABC and XYZ.
- Any disputes or differences arising in relation to this agreement, its construction, validity, performance, breach or any other question shall be referred to the Indian Chamber of Commerce for settlement by Arbitration or Conciliation and the decision of the said Arbitrator shall be final and binding on both the parties.
- In circumstances where any clause of this agreement becomes unenforceable for the reason of any change in law or any other reason, the rest agreement shall be in force.
- If at any time during the continuance of this contract, the performance in entire or in part by either party or any commitment under this contract is barred or overdue by reason of any war, hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, power failure or acts of God (herein after referred to as events) provided notice of the happenings of any such event is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reason of such events, be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such nonperformance or stay in performance, and deliveries under the contract shall be take up again as soon as operable after such event has come to an end or

ceased to exist, provided further that if the performance in whole or part of any obligation under this contract is prevented or delayed by reasons of any such event for a period exceeding 180 days, both parties shall consult each other regarding the termination of the contract on agreed equitable terms or otherwise devise future course of action.

- Both the parties agree to have Insurance coverage, it carries Workers' Compensation, General Liability, and Errors and Omissions insurance at amounts recognized as customary in the ordinary scope of business. The Client or an employee shall carry appropriate insurance coverage, including, but not limited to, Workers' Compensation, General Liability, Errors and Omissions, and the like, throughout the entire term this Agreement.
- This agreement is made subject to obtaining approvals of the Indian Government and other concerned authorities.
- Nothing enclosed in this agreement shall be interpreted to build the relationship of employer and employee between the parties ABC and XYZ.
- All notice to, contact with, or any provision of information relevant or pertaining to this Agreement shall be directed to the A&X Pvt. Ltd. as follows:
  - Contact Person:
  - Address
  - Email Id:
  - Phone
  - Fax
- In the event certain additions or alterations are required under this agreement due to imposition of certain terms and conditions by Government of India or appropriate authority granting the approval shall be incorporated in this agreement by way of a supplemental agreement and if required the Memorandum and Articles of Association of the new company would also be in conformity with such directions or approvals of the appropriate authorities.

IN WITNESS WHEREOF the parties hereto have signed, sealed and delivered these presents on the

FIRST JOINT VENTURER

SECOND JOINT VENTURER

---

Authorized Signature

---

Authorized Signature

---

Print Name and Title

---

Print Name and Title