

## JOINT VENTURE AGREEMENT (3 OR MORE PARTIES)

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BETWEEN:

[NAME OF PARTY 1]  
an individual of \_\_\_\_\_ nationality residing at [insert address]  
Passport / ID Card # \_\_\_\_\_

- and -

[NAME OF PARTY 2]  
a body corporate duly incorporated / organised under the laws of \_\_\_\_\_  
and having a head office at [insert address]  
Corporation / Company / Register # \_\_\_\_\_

[continue to list the parties as in the examples shown above]

### RECITALS

- A. Whereas each of the parties is actively doing business in the field of \_\_\_\_\_ [if in different fields or industries, describe for each party];
- B. And whereas the parties wish to form a joint venture ("Joint Venture") under the laws of \_\_\_\_\_, for the purpose(s) of \_\_\_\_\_ [describe];
- C. And whereas each of the parties possesses certain assets, abilities, specific expertise, intellectual property rights or other valuable tangible or intangible assets which it is prepared to place at the disposal of the Joint Venture.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained in this Agreement, the parties hereby agree as follows:

### ARTICLE 1 - DEFINITIONS

Wherever used throughout this Agreement, the following terms shall have the meanings set out below:

"Agreement" or "Joint Venture Agreement" shall mean this Joint Venture Agreement and all subsequent amendments, replacements, agreements and decisions of Meetings of the Parties concerning the Joint Venture and the rights and obligations of the Parties hereto.

"Annual Accounts" shall mean the annual accounts of the Joint Venture as set forth in Article 9.

"Arbitration Tribunal" shall mean the dispute resolution body provided for in Article 32, such as a panel of arbitrators or the courts, if that alternative is chosen by the Parties hereto.

"Auditors" shall mean the external auditors of the Joint Venture.

"Contributed Assets" shall mean the total of the individual contributions made by the Parties, as more particularly described in Article 3.

**“Deadlock”** shall mean the inability of the Parties or the Management Committee to reach a decision at any two consecutive meetings, by reason of (i) failure to meet the required minimum attendance, or (ii) lack of agreement, as more particularly described in Article 30.

**“Exit Date”** shall mean the date on which the withdrawal or removal of a Party from the Joint Venture becomes effective.

**“Force Majeure”** shall mean an impediment to a Party’s performance of its obligations hereunder, which is outside of such Party’s control.

**“Independent Expert”** shall mean an expert appointed with respect to any dispute relating to questions of valuation, pursuant to Article 32.8.

**“Joint Venture”** shall mean the collaboration of the Parties as described in this Agreement for the purposes, activities and objectives herein set forth.

**“Management Committee”** shall mean the executive body of the Joint Venture, as more particularly described in Article 8.

**“Meeting”** shall have the meaning set out in Article 7.

**“Objective of the Joint Venture”** shall have the meaning set out in Article 2.

**“Party” or “Parties”** shall mean the parties to this Agreement at any time and from time to time, whether original or subsequent parties.

**“Share”** shall mean, with respect to the Contributed Assets, the proportionate share contributed by each of the Parties to the Joint Venture.

**“Voting Rights”** shall mean the number of votes held by a Party in proportion to the total number of votes allocated to the Parties, in accordance with Article 7.5.

## ARTICLE 2 - OBJECTIVE OF THE JOINT VENTURE

Under this Agreement, the Parties hereby agree to pool their resources and efforts as described in Articles 3 and 5 below to accomplish the following objective(s) (“Objective of the Joint Venture”):

## ARTICLE 3 - CONTRIBUTIONS OF THE PARTIES

3.1 The Parties to the Joint Venture shall make the following contributions, in cash, real estate, personal property, intellectual property, services, or other in-kind contributions (the ‘Contributed Assets’), in exchange for Shares in the Contributing Assets and Voting Rights as set out below:

Party	Contributions	Value (\$)	Share / Voting Rights
(a) <i>[specify]</i>			
(b) <i>[specify]</i>			
(c) <i>[specify]</i>			

**OR**

*[If using this option, remove the 4<sup>th</sup> column of the above table.]*

[The contributions of each Party are deemed to be equivalent in value and the Parties have equal Shares in the Contributed Assets.]

3.2 The Management Committee may call for additional contributions, over and above those set out above, as may be required for the development of the Joint Venture or for making up its losses. *[If applicable:* The Parties shall (unless otherwise agreed by all Parties) make such contributions in proportion to their Shares in the Contributed Assets.

3.3 If a Party objects to a call for additional contributions or fails to make an additional contribution when called for by the Management Committee, the other Parties may make the contribution of the objecting or defaulting Party. In such case, the Shares in the Contributed Assets shall be adjusted to take account of the difference in contributions and, if differentiated voting rights have been provided in the Agreement, these rights shall be adjusted accordingly.

*[Optional:* A Party which does not intend or is not able to make any additional contribution decided by the Management Committee may withdraw from the Joint Venture pursuant to Article 18. A Party which objects to the additional contribution decided by the Management Committee, or fails to make it, shall be deemed to be in breach of its obligations as per Article 13 and may be excluded from the Joint Venture pursuant to Article 17.]

3.4 Any dispute concerning the valuation of non-pecuniary Contributed Assets (or any adjustment to Shares in Contributed Assets under Article 3.3) shall be resolved pursuant to Article 32, with the valuations (or any adjustments) being made by the Independent Expert appointed pursuant to Article 32.8.

#### **ARTICLE 4 - LIABILITY FOR CONTRIBUTIONS**

4.1 Each Party represents and warrants as follows:

- (a) that it is the owner of its Contributed Assets and has the legal right to contribute the same to the Joint Venture;
- (b) that the Contributed Assets are free and clear of all liens, encumbrances, mortgages, charges and security interests of any kind whatsoever;
- (c) that the Contributed Assets may be used for the purpose and duration provided or implied in the contribution.

4.2 If the use of all or part of a Party's Contributed Assets by the Joint Venture is materially restricted or rendered impossible due to defects, claims by a third party or for other reasons due to the fault of the contributing Party, the contributing Party shall replace such Contributed Assets and provide to the Joint Venture other contributions which meet, as closely as possible, the needs of the Joint Venture for which the contribution was intended. A failure to replace such Contributed Assets shall be treated as a breach of the contributing Party's obligations hereunder. The replacement contribution shall be treated as Contributed Assets and all representations and warranties shall apply to it as they did to the original Contributed Assets.

4.3 If the value of the replacement Contributed Assets is different from that of the original Contributed Assets and a replacement of equal value cannot be made, the Share in the Contributed Assets shall be adjusted by agreement of the Parties or, failing such agreement, as valued by the Independent Expert pursuant to Article 32.8; it being understood that, irrespective of the estimated value of the replacement Contributed Assets, an increase in the Share in the Contributed Assets shall be provided only if all other Parties agree to it.

4.4 The contributing Party shall compensate the Joint Venture for all loss and damage suffered as a result of any defects in the Contributed Assets and any restrictions affecting their use contrary to the representations and warranties of that Party. It shall indemnify the Joint Venture against any claims by third parties if the use of the Contributed Assets interferes with their rights contrary to the representations and warranties in Article 4.1 and the relevant Ancillary Agreement.

## ARTICLE 5 – COMMITMENTS OF THE PARTIES

5.1 The Parties agree to perform the following technical or commercial commitments “Commitments”) in relation to the activities of the Joint Venture:

*[List each party’s commitments with respect to the joint venture activities.]*

5.2 Performance of each Party’s Commitments shall be additional to any in-kind contributions required to be made under Article 3. Such Commitments shall be performed [free of charge **OR** on such terms as shall be approved by the Management Committee.]

5.3 Each Party shall use reasonable care and skill in performing its respective Commitments.

5.4 A Party’s failure to perform its Commitments shall be treated as a breach of its obligations under this Agreement.

**THIS IS A 20-PAGE DOCUMENT, including all schedules and attachments.  
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