

Joint venture agreement (JVA) In Industry

This AGREEMENT is made and entered into as of the, 20, 202, by and among M/S....., citizen of, with Passport/Citizenship number (hereinafter referred to as party A)

And

M/S....., citizen of, with Passport/Citizenship number (hereinafter referred to as party B)

And

M/S....., citizen of, with Passport/Citizenship number (hereinafter referred to as party C)

And

M/S....., citizen of, with Passport/Citizenship number (hereinafter referred to as party D)

Party A, Party B, Party C, and Party D is the investor of Industry, which are collectively referred as Parties or Investors.

Now, therefore, in consideration of the premises and mutual covenants herein set forth, agree as follows.

Article 1. Formulation of new Company

- 1.1 The parties, immediately upon the effectuation of this Agreement, shall form and establish a company, which will be jointly owned and managed by the parties hereto (hereinafter referred to as the new company) pursuant as the lows of Nepal
- 1.2 The Name of the New Company shall be such name agreeable to the parties and the Company Register’s Office in Nepal
- 1.3 The head office of the new company shall be located at.

The parties hereto shall consult and co-operate with each other as to the procedures and particulars of the establishment and registration of the New Company

Article 2. Business Purpose

The business purpose of The Company shall be as follows:

Establishment and operation of Industry.

Any and all business activities incidental to the foregoing objectives.

Article 3. Articles of Incorporation

The New Company's Articles of Incorporation (hereinafter referred to as the "Articles of Incorporation") shall be as agreed to by the parties hereto and approved by the Company Registrar's Office. If any discrepancy is found between this Agreement and the Articles of Incorporation, the parties shall amend the Articles of Incorporation to make them be in accordance with this Agreement.

Article 4. Amount and Ratio of Capital Contribution by Each Party

4.1. The total project capital of the industry and the total equity contribution will be as follows:

Capital	Approved
Total Project Capital	NRs.
Fixed Asset Investment	NRs.
Working Capital	NRs.
Total Equity	NRs.

4.2. The total amount of capital contribution which shall be made to the New Company by the parties hereto and the number of shares of stock of New Company to be issued to each party, and the ratio of the equity interest in New Company of each party shall be as follows:

Party	Share	Rate, NRs	Amount, NRs	Share in %
Party A				
Party B				
Party C				
Party D				
Total				100 %

4.3. At the time of incorporation, the parties shall contribute the initial capital of NRs. according to the ratio as prescribed in the preceding paragraph 4.2.

Article 5. Kind of Shares

Any and all shares issued by the Company shall be common stock of one kind, in non-bearer form, at a per value of NRs. 100 per share, with full voting rights.

Article 6. Subscription for Shares

6.1. The parties hereto shall subscribe for the shares of the New Company pursuant to the provisions of Article 4.2 and the total subscription amount shall be paid within 60 days from the effectuation of this Agreement

6.2. Parties shall make its contribution in cash and /or in kind.

6.3. Parties shall make its contribution in convertible foreign currency in an amount equivalent to NRs through proper banking channel

Article 7. Transfer of Shares

7.1. Neither party shall encumber the shares or make them available as the object of other rights without the prior consent of the other party hereto.

7.2. If either party desires to transfer its shares in the New Company, it shall notify its intention and the terms and conditions of the intended transfer to the Board of Directors. Immediately upon receipt of such notice, the Board of Directors shall give notice to the remaining shareholders requesting that they confirm whether they intend to purchase such shares. If the notified remaining shareholders desire to purchase offered shares, such shares shall be divided among the remaining. If all the notified remaining

shareholders do not declare their wish to purchase such shares under the offered terms and conditions within 90 days after the receipt of said notice, or they refuse to purchase such shares, then the party desiring to transfer is free to transfer its shares, provided, however, that the terms and conditions of the offer (including, but not limited to, prices) shall not be more favorable than those offered to the remaining shareholders

7.3. The third-party transferee shall submit to the other party of this Agreement and the New Company a written oath stating that the transferee agrees to be governed by all of the terms and provisions of this Agreement and to be fully bound by the terms thereof, assuming all obligations of the party from which it has purchased the shares.

7.4. The notification of intention to transfer the shares and terms and conditions of such transfer to be given under the preceding paragraph shall be done in writing

7.5. Any share transfer under this Article shall be subject to necessary governmental validation or approval in Nepal

Article 8. Pre-emptive Rights.

8.1. The parties hereto shall have pre-emptive rights in proportion to the number of shares held by each of them with respect to any new issuance of shares of the New Company. However, upon the consent of all shareholders, the pre-emptive rights may be exercised in a ratio other than the shareholding ratio.

8.2. If either party does not wish to exercise its pre-emptive rights in whole or in part, such party shall notify the Board of Directors of such intention within 45 days from the day of the allocation of new shares. In this case, the other party shall have the pre-emptive right to such unsubscribed new shares

8.3. New shares to which none of the parties hereto have subscribed shall be preferentially allocated to persons who have agreed to accept all of the terms and conditions hereunder, pursuant to the conditions set by the Board of Directors.

Article 9. General Meeting of Shareholders

Except as otherwise provided in the Articles of Incorporation, resolutions of the General Meeting of Shareholders of the New Company (hereinafter referred to as the "General Meeting of Shareholders") shall be adopted by an affirmative vote of a majority of the shares represented at a meeting where shareholders representing more than fifty percent of the total number of shares issued and outstanding are present.

Article 10. Board of Directors

Each of the parties hereto will exercise its respective voting rights in the New Company and take such other steps as are necessary to ensure:

10.1. The Board of Directors of the New Company shall consist of members, nominated by parties.

10.2. If either party wishes to change its nominated directors with or without cause, the other party shall consent to such change, provided, however, that if such change is without cause, the party proposing the dismissal shall indemnify and hold the New Company and the other party harmless from any and all damages and other expenses that may arise from such action.

10.3. All resolutions adopted at a meeting of the Board of Directors shall be adopted by the affirmative vote of the majority of the directors present at a meeting where a majority of directors in office is present.

10.4. Meeting of the Board of Directors may be called by the Chairman when he deems the same to be necessary or advisable or when any director so requests.

10.5. The Chairman of the Board of Directors shall be elected from among the Directors.

Article 11. Distribution of Authority among Directors

The power and responsibility of each director of the New Company shall be as determined by the Board of Directors.

Article 12. Statutory Auditor

The New Company shall have an auditor nominated with full consent of both parties or the auditor shall be nominated by the general shareholders meeting.

Article 13. Working Capital

The parties hereto shall exercise their best efforts to enable the New Company to obtain the necessary working capital by arranging financing to the New Company or providing guarantees to the banks of the New Company.

Article 14. Dividends.

The New Company, depending upon the results of each fiscal year's settlement of accounts, shall make periodic payments of dividends to the shareholders according to the Articles of Incorporation

Article 15. Fiscal Period and Accounting Books

15.1 The Fiscal Year of the JV company shall, commence on July 16 and end on July 15 of each (next year) provided that the first fiscal year shall commence on the date of incorporation and end on July 15 of that (next) year.

15.2. The New Company shall maintain accounting books, records and supporting documents in accordance with generally accepted accounting principles and practices in Nepal.

15.3. Immediately upon the end of each fiscal year, the New Company shall submit the balance sheet and profit and loss statement to each party. Further, the New Company shall keep its accounting books and records at the head office of the New Company for inspection by the parties or their representatives upon request of either party

Article 16. Incorporation Expenses

All of the incorporation expenses of the JV Company shall be borne by each of the parties hereto, except for the expenses incurred or borne by the JV Company.

Article 17. Payment and Tax

17.1. Unless otherwise prescribed hereunder, all of the payments made by the JV Company to Parties will be made in foreign currency, depending on the currency of the investment, at the bank or other address nominated by Parties in writing

17.2. The withholding tax, if any, imposed on the payments to Parties shall be withheld from the payments by the JV Company and be immediately paid to the competent tax office. The parties hereto shall cause the JV Company to obtain from the competent taxation authorities a certificate of payment of such withholding tax or other appropriate evidence in such form as shall be most useful to, and necessary for tax credit purposes in respective countries and forwarded the same to Parties

Article 18. Non-Assignability

Except for the transfer of shares in accordance with Article 7 hereof, the rights and obligations of each of the parties under this Agreement shall not be assignable directly or indirectly except with the prior written consent of the other party

Article 19. Effective Date

This Agreement shall come into effect on the date all necessary approvals and/or licenses are obtained from the competent authority

Article 20. Termination

20.1. This Agreement shall be terminable by a party, if the other party shall commit a material breach of any of its obligations under this Agreement, which it shall fail to remedy within 60 days of receipt of written notice requiring that the breach be remedied.

20.2. In case of termination of this Agreement under the preceding paragraph, the party at fault shall transfer its shares to the other party or a third party, under conditions reasonably prescribed by the Board of Directors. Prior approval of Government of Nepal will be obtained if required.

Article 21. Modification

This Agreement may be changed, amended or otherwise modified only by means of written agreement executed by the duly authorized representatives of the parties. Such a modification shall be effective only upon the approval of the relevant authority of Government of Nepal.

Article 22. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nepal. In case of conflict of the provisions of this agreement with the laws of Nepal, the conflicting provision of this agreement shall be automatically invalid to the extent of conflict.

Article 23. Dispute Settlement

23.1. Any dispute arising out of or in relation to this Agreement shall be settled amicably between the parties in the presence of Department of Industry. Failing this, it shall be finally settled by arbitration.

23.2. Such arbitration shall be conducted in accordance with the Rules of United Nation Commission for International Trade Law (UNCITRAL).

23.3. The venue of arbitration shall be

23.4. The laws of Nepal shall be applicable in arbitration.

Article 24. Non-competition

24.1. The parties hereto agree that they or their affiliates shall not, directly or indirectly, manufacture or sell any goods which are competitive with the New Company's products, in Nepal

24.2. The scope of the term "affiliates" shall be prescribed by mutual agreement between the parties.

Article 25. Confidentiality

The parties hereto agree to keep secret and confidential all information furnished to them by the other party or the New Company which are designated as confidential by said other party or the New Company, or considered desirable to remain secret. The parties further agree not to use such information for any purpose whatsoever except in a manner expressly provided for in this Agreement.

Article 26. Force Majeure

Neither party shall be liable for any breach or non-observance of any term or condition of this Agreement on account of force majeure which shall mean fire, explosion, acts of government and other similar circumstances beyond a party's control.

Article 27. Approval, License

Each party shall extend his best co-operation in obtaining any necessary Nepalese government approvals or licenses for the effective implementation of this agreement.

Article 28. Entire Agreement

This Agreement contains the entire understanding of the parties as to the terms and conditions of their relationship, and supersedes all prior agreements and representations between the parties, which shall hereby be repealed.

Article 29 Language

This Agreement is executed in the English language which shall be deemed to be the original. In case of any discrepancy between any translation and the above version, the English version shall be controlling in all respects.

Article 30. Notice

30.1. Any notice required or permitted to be given hereunder shall be in writing and may be given by registered airmail, hand delivery or by telex, facsimile transmission or cable to the address mentioned by the parties:

30.2. Either party may amend its address set forth above by written notice, made pursuant to any of the above methods to the other party

30.3. Any notice so given shall be deemed to be received; if by airmail 30 days after posting; or if by hand delivery, on the day of delivery; or if by telex, facsimile transmission or cable, on the day of dispatch.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement on the date first written

Party A	Party B
BY	BY
Name:	Name:
Passport No.	Passport No.
Address:	Address:
Title: Investor of the company	Title: Investor of the company
Witness	Witness
Name:	Name:
Address:	Address:
Title	Title

Party C	Party D
BY	BY
Name:	Name:
Passport No.	Passport No.
Address:	Address:
Title: Investor of the company	Title: Investor of the company
Witness	Witness
Name:	Name:
Address:	Address:
Title	Title