

## **JOINT VENTURE AGREEMENT**

This Joint Venture Agreement (the "Agreement")

made and entered into as of this \_\_\_\_ day of \_\_\_\_\_,

by and between

**FULL NAME AND SURNAME:** \_\_\_\_\_ of  
\_\_\_\_\_  
(PTY) LTD;

**Company Registration Number:** \_\_\_\_\_

(hereinafter referred to as “

The first Party”)

and

**FULL NAME AND SURNAME:** \_\_\_\_\_ of  
\_\_\_\_\_  
(PTY) LTD;

**Company Registration Number:** \_\_\_\_\_

(hereinafter referred to as “ the Second party”)

Or

(hereinafter collectively referred to as “**PARTIES**”)

**WHEREAS** the first- and second party wish to enter into a Joint Venture agreement;

**AND WHEREAS** they have agreed to enter into this Joint Venture for a period and upon the terms and conditions hereinafter set forth:

**NOW THEREFORE THESE PRESENTS WITNESS** and it is contracted and agreed between the parties as follows:



## 1. DEFINITIONS

Whenever used in this agreement, the following words and terms have the meanings set out below:

1.1 "Agreement" means this Joint Venture Agreement;

1.2 "First Party" will mean \_\_\_\_\_;

1.3 "Second Party" will mean \_\_\_\_\_;

1.4 "Parties" means, collectively, the Parties and the Company and any other party that becomes a party to this Agreement and "Party" means any one of them;

1.5 "Effective date" means the date of signature of the Agreement by both parties;

1.6 "Goodwill" means the goodwill attaching to the business.

1.7 "Affiliate", an Affiliate of an entity is a person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control of such entity

1.8 "Profits", any income of the Partnership generated from Hydropower services delivered after tax necessary deductions and expenses as determined in this agreement.

## 2. GENERAL PROVISIONS

### 2.1 Business function

The business function and purpose of the Joint Venture shall be for the Joint Venture to be established by the Members in terms of the Agreement as an unincorporated association with the exclusive purposes for the benefit of the Members herein.

### 2.2 Term of the Agreement

This Joint Venture shall commence on the date first above written and shall continue in existence until terminated, liquidated, or dissolved by law or as hereinafter provided.



**3. OBLIGATIONS OF THE JOINT VENTURES**

3.1 The parties to this agreement are responsible for all operations and decisions of the Joint Venture and will be compensated for providing the following services:

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3.2 This agreement commits both parties to a profit share division of \_\_\_\_\_ on income (after payment of all taxes and taxation fees) of the above mentioned services as set out in clause 3.1 delivered as stipulated in 4.1 and 4.2 respectively.

**4. ALLOCATIONS**

4.1 Profits

Commencing on the date hereof and ending on the termination of the business of the Joint Venture, all profits for the services as set out in Clause 3.1 and work completed will be divided accordingly:

4.1.1 \_\_\_\_% (\_\_\_\_\_ PERCENT) of the profits herein allocated to the First Party (After tax deductions).

4.1.2 \_\_\_\_% (\_\_\_\_\_ PERCENT) of the profits herein allocated to the Second Party (After tax deductions).

4.2 Expenses Before Division of Profits

Preliminary to the division of the profits for the services as set out in clause 3.1 completed as stipulated in 4.1 above, the following expenses must first be deducted accordingly before any profit funds can be distributed:

- 4.2.1 Rental Fees;
- 4.2.2 Policy Fees;
- 4.2.3 Salaries;
- 4.2.4 All office and operations Expenses;
- 4.2.5 Insurance.
- 4.2.6 The following additional expenses:

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## **5 RIGHTS AND DUTIES OF THE JOINT VENTURES**

### **5.1 Business of the Joint Venture**

The parties to this agreement shall have full, exclusive and complete authority and discretion in the management and control of the business of the Joint Venture for the purposes herein stated and shall make all decisions affecting the business of the Joint Venture.

At such, any action taken shall constitute the act of, and serve to bind, the Joint Venture. The parties shall manage and control the affairs of the Joint Venture to the best of their ability and shall use its best efforts to carry out the business of the Joint Venture.

## **6 AGREEMENTS WITH THIRD PARTIES AND AFFILIATES OF THE JOINT VENTURES**

### **6.1 Validity of Transactions**

Affiliates of the parties to this Agreement may be engaged to perform services for the Joint Venture. The validity of any transaction, agreement or payment involving the Joint Venture and any Affiliates of the parties to this Agreement otherwise permitted by the terms of this Agreement shall not be affected due to the relationship between them and such Affiliates or the approval of said transactions, agreement or payment.

### **6.2 Other Business of the Parties to this Agreement**

The parties to this Agreement and their respective Affiliates may have interests in businesses other than the Joint Venture business. The Joint Venture shall not have the right to the income or proceeds derived from such other business interests and, even if they are competitive with the Partnership business, such business interests shall not be deemed wrongful or improper.

## **7 PAYMENT OF EXPENSES**

All expenses of the Joint Venture as stipulated 4.2 will be paid by either of the parties before distribution of any profits as provided for in 4.1.

## **8 INDEMNIFICATION OF THE JOINT VENTURES**

The parties to this Agreement shall have no liability to the other for any loss suffered which arises out of any action or inaction if, in good faith, it is determined that such course of conduct was in the best interests of the Joint Venture and such course of conduct did not constitute negligence or misconduct.



The parties to this Agreement shall each be indemnified by the other against losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it relating to the Joint Venture.

## **9 DISSOLUTION**

### **9.1 Events of the Joint Ventures**

The Joint Venture shall be dissolved upon the happening of any of the following events:

- (a)** The adjudication of bankruptcy, withdrawal, removal or insolvency of either of the parties.
- (b)** The sale or other disposition, not including an exchange of all, or substantially all, of the Joint Venture assets.
- (c)** Mutual agreement of the parties.

## **10 MISCELLANEOUS PROVISIONS**

### **10.1 Books and Records**

The Joint Venture shall keep adequate books and records at its place/s of business, setting forth a true and accurate account of all business transactions arising out of and relating to the conduct of the Joint Venture.

### **10.2 Validity**

In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

### **10.3 Integrated Agreement**

This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, restrictions or warranties among the parties other than those set forth herein provided for.

### **10.4 Headings**

The headings, titles and subtitles used in this Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof;



10.5 Applicable Law and Jurisdiction

This Agreement shall be construed and enforced under the laws of the Republic of South Africa.

10.6 Other Instruments

The parties hereto covenant and agree that they will execute each such other and further instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Signed, sealed and delivered in the presence of:

\_\_\_\_\_  
**THE FIRST PARTY**

( \_\_\_\_\_ **REPRESENTATIVE** )

\_\_\_\_\_  
**WITNESS 1**

\_\_\_\_\_  
**THE SECOND PARTY**

( \_\_\_\_\_ **REPRESENTATIVE** )

\_\_\_\_\_  
**WITNESS 2**

