

Joint Venture Agreement

A contractual joint venture between two companies for one project, with no new company formed. Template v1.0.

Date of this agreement: _____

Company: _____

Venture partner: _____

The Company and the Venture partner (each a Party) want to work together on the Project described below. They do so by contract only. No new company or partnership is formed.

1. The Project

The Project:

Work outside the Project is not part of this joint venture unless both Parties agree in writing.

2. Contributions

The Company will contribute:

The Venture partner will contribute:

Neither Party has to contribute more unless both agree in writing. Each Party keeps ownership of any equipment or other property it contributes, unless the Parties agree otherwise in writing.

3. Management and decisions

Each Party names a representative. The two representatives form a steering committee that directs the Project and meets at least once a month. Committee decisions need the agreement of both representatives. If they cannot agree, the matter goes to senior managers of both Parties and then to Section 12. Each Party manages the day to day work on its own contribution.

4. Costs

Each Party bears its own costs of making its contribution. A shared cost of the Project, such as joint marketing, needs the prior approval of the steering committee.

5. Revenue and profit

Company's share of Project profit (percent): _____

Venture partner's share of Project profit (percent): _____

Project revenue is paid into an account both Parties agree. Approved shared costs are paid from it first. The remaining profit is paid to the Parties in the percentages above at least once a quarter. If revenue does not cover the approved shared costs, the shortfall is borne in the same percentages.

6. Accounts and audit

The Party the steering committee chooses keeps full and accurate accounts of Project revenue and shared costs, and sends the other Party a statement each quarter. Once a year, on reasonable notice, either Party may have the accounts audited by an independent accountant at its own cost. If the audit finds an underpayment of more than five percent, the Party that kept the accounts pays for the audit and makes up the shortfall.

7. Intellectual property

Each Party keeps the intellectual property it owned before this agreement or creates outside the Project (its Background IP). Each Party lets the other use its Background IP free of charge, only for the Project and only while this agreement lasts. Results created in the Project are owned as the Parties agree in writing. Until they agree, results are owned jointly, and neither Party may license or sell them without the other's consent.

8. Confidentiality

Each Party keeps confidential all information it receives from the other about the Project or the other's business, and uses it only for the Project. This does not apply to information that is public, already known to the receiving Party, developed independently or required by law to be disclosed. This duty lasts for three years after this agreement ends.

9. Exclusivity

While this agreement lasts, neither Party will work with anyone else on a project that substantially duplicates or competes with the Project without the other's written consent. Each Party is otherwise free to carry on its own business.

10. Term and termination

This agreement ends on: _____

Days of written notice to end it early: _____

Either Party may end this agreement earlier by giving that much written notice. Either Party may end it at once by written notice if the other commits a serious breach and does not fix it within 30 days of being told, or becomes insolvent.

When it ends, the Parties wind down work in progress in an orderly way, settle the final accounts, pay any profit owed and return each other's property and confidential information. Results are dealt with under Section 7. Sections 6, 7, 8 and 11 continue after the end.

11. Relationship and liability

The Parties are independent. Nothing in this agreement creates a partnership, a company or an agency between them, and neither may bind the other or incur debts in its name. Each Party is responsible for its own acts, its own staff and its own compliance with the law. Neither Party is liable to the other for indirect or consequential loss, except for a breach of confidentiality, fraud or wilful misconduct.

12. Disputes and governing law

The Parties will first try to resolve any dispute through their senior managers within 30 days. If that fails, they will try mediation before either starts court or arbitration proceedings. Either Party may still seek urgent relief from a court.

This agreement is governed by the laws of:

This is the whole agreement about the Project. A change is valid only in writing signed by both Parties. If a term cannot be enforced, the rest still applies. It may be signed electronically and in counterparts.

Venture partner

Signature

Name

Date

Title

Company

Signature

Name

Date

Title