JOINT VENTURE AGREEMENT

between

[______]

and

[________________]
JOINT VENTURE AGREEMENT

THE UNDERSIGNED:

1. [_________], with its registered offices at [___], [___________], [____________], hereinafter also referred to as: “[___A___]”, registered under the number, duly represented by its director [_________];

and

2. [_________], with its registered offices at [_______], [____________], [____________], hereinafter also referred to as: “[___B___]”, registered under the number______________, duly represented by its director Mr._____________.

The parties shall hereinafter be referred to individually as the “Party” or collectively as the “Parties”.

WHEREAS:

- In accordance with the laws of the [_______] (hereinafter referred to as “[_________]”) of the [_______] (hereinafter referred to as “[_________]”), [___A___] HOLDING, established in accordance with the laws of [_______] with its principal office at [___], [_______],[_____] and [___B____]._____, established in accordance with the laws of the [_______] with its principal office located at _________________________, [_______] hereby agree to establish a joint venture company with investment jointly contributed by the parties, at [___________], [_________], based on the principles of equality and mutual benefit as well as through friendly negotiations on this ____ th day of [__________].

THE PARTIES HEREBY MAKE THE FOLLOWING ARRANGEMENTS:
1. **ESTABLISHMENT OF THE JOINT VENTURE COMPANY**

1.1 The Parties hereto agree to set up [___C___]”, a joint venture company with limited liability, in [_______], [_____] incorporated and based on the laws of [_________] (hereinafter referred to as the "C" or "{_____}”).

1.2 Based on the laws of [_________] using [___________] and other related laws and regulations of [_____], the C hereby shall establish a wholly owned subsidiary in [___________], [___________] (hereinafter referred to as the “Subsidiary” or "[_____] [_______]”).

**Name**

1.3 The name of the C its legal address shall be as follows:

Name in English: [______________]

Legal Address:

**Legal person**

1.4 The C shall be a legal person established under the laws of [___________], and all activities of the C shall be done in accordance with the laws, decrees, rules and regulations of [___________], while at the same time shall be protected thereunder and receive the privileges thereunder.

1.5 The C will be a limited liability company. Each Party shall be entitled to the profits in accordance with the ratio of its shareholding in the capital of the C, which its investment bears to the registered capital, and shall share risks and profits within the limit of the capital contributed by it. The Subsidiary shall also be a limited liability company under the laws of [___________], where as the wholly owned subsidiary, the C shall be entitled to its entire profits.

2. **PURPOSES, SCOPE AND SCALE OF BUSINESS**

2.1 The purpose of the joint venture is, under the common idea of strengthening economic and technical cooperation between the Parties, to provide [______________].
2.2 The business scope of the C shall be as follows:

a. To set up the Subsidiary in [_________] to conduct its business, in the [___A___] branded [____________] business; and
b. Coordinate the business efforts between the [___A___] and [___B___] with the Subsidiary as referred to under a.

2.3. The business scope of the Subsidiary shall be as follows:

a. [___A___] shall perform a [____________] business all inclusive [___________]; and
b. Such new business as may be agreed to between the Parties.

3. **TOTAL AMOUNT OF INVESTMENT AND REGISTERED CAPITAL**

3.1 The registered share capital of the C at the commencement of the joint venture of the Parties hereunder shall be [_________________] in [_____currency____].

3.2 The investment amount and ratio of shareholding of the Parties shall be as follows:

[___A______]

[___B_______]

3.3 The Parties shall contribute as follows:

[___A______]

[___B_______]

3.4 [___B___] shall make its entire investment payment of [_______________] (in words: [_____________]) promptly after the execution of this Agreement. [___A___] shall make its entire investment payment of [_______________] (in words: [_____________]) promptly after the execution of
this Agreement. The shares in the C will be issued only when the full investment payment aforesaid of each relevant Party is actually received by the C, their respective shareholdings in the C will be as stipulated in Clause 3.2 hereof.

3.5 Share certificates will be issued by the C to the relevant Party when such Party has completely made its investment payment to the C as set out in this Clause 3.

4. **RIGHT OF FIRST REFUSAL**

4.1 Subject to the following paragraphs of this Clause 4, before any shares in the C ("Shares") may be sold or otherwise transferred or disposed of by a shareholder of the C (the "Selling Shareholder") (including transfer by gift), all the other shareholders of the C ("Remaining Shareholders") shall have a right of first refusal ("Right of First Refusal") to purchase such Shares ("Selling Shares"); and Parties shall have the right to co-sale ("Co-Sale") in accordance with the terms of this Clause.

**Right of First Refusal**

4.2 Before the transfer of any Selling Shares, the Selling Shareholder shall deliver to the C and the Remaining Shareholders a written notice ("Transfer Notice") stating:

a. the Selling Shareholder’s intention to sell or otherwise transfer or otherwise dispose of such Selling Shares;

b. the name of each proposed purchaser or other transferee (a "Proposed Transferee");

c. the number of Selling Shares to be transferred to each Proposed Transferee; and

d. the bona fide cash price and/or other consideration for which, and other terms and conditions on which, the Selling Shareholder proposes to transfer the Selling Shares ("Offered Terms").

4.3 The Transfer Notice shall constitute an irrevocable offer by the Selling Shareholder to sell the Pre-emptive Shares at the Offered Terms to the Remaining Shareholders.
4.4 Each Remaining Shareholder shall have the right, by serving notice to the Selling Shareholder at any time within fourteen (14) days after receipt of the Transfer Notice ("Purchase Right Period"), to purchase its Pro Rata Share (as defined below) of all or any of such Selling Shares at the same price and upon the same terms (or terms as similar as reasonably possible) as the Offered Terms, and the Selling Shareholder shall, upon receipt of the notice of purchase from the Remaining Shareholder, sell such Selling Shares to such Remaining Shareholder pursuant to such terms. In respect of a Remaining Shareholder, his "Pro Rata Share" for the purposes of this Clause shall mean the ratio of (i) the number of Shares held by such Remaining Shareholders bears to (ii) the total number of Shares held by all Remaining Shareholders.

Co-Sale
4.5 The Parties shall have a co-sale right to sell a proportionate part of its Shares to the Proposed Transferee together with such Selling Shareholder in the proposed sale or transfer on the same terms offered by such Proposed Transferee.

4.6 If the Proposed Transferee prohibits such transfer or otherwise refuses to purchase Shares from the Party exercising its co-sale right hereunder, the Selling Shareholder shall not sell or transfer its Selling Shares to such Proposed Transferee unless and until, simultaneously with such sale or transfer, the Selling Shareholder shall itself purchase such amount of Shares as provided in item 5 above from the Party for the same consideration and on the same terms.

General
4.7 If any of the Selling Shares proposed in the Transfer Notice to be transferred are not purchased by the Remaining Shareholders or affected by any Co-Sale right, then the Selling Shareholder may sell or otherwise transfer or dispose of such Selling Shares which have not been purchased to the Proposed Transferee(s) at the Offered Terms or at a higher price and/or better terms, provided that such sale or other transfer shall be completed and consummated within thirty (30) days after the expiration of the Purchase Right Period. If the Selling Shares described in the Transfer Notice are not transferred to the Proposed Transferee(s) within such thirty (30) day period, such Selling Shareholder shall not transfer or dispose of any Selling Shares unless such Selling Shares are first re-offered to the Remaining Shareholders in accordance with this Clause.
4.8 The Right of First Refusal and Co-Sale right set forth in this Clause shall not apply to any transfer of Shares (i) to the holding company or the wholly-owned subsidiary of the Selling Shareholder or a wholly-owned subsidiary of the holding company of the Selling Shareholder (each a “Permitted Transferee”) provided that in each case the Selling Shareholder shall remain to be bound by this Agreement and the Permitted Transferee shall agree to be bound by this Agreement and that the Selling Shareholder shall procure the Permitted Transferee shall not transfer its Shares except to the Selling Shareholder or other Permitted Transferee(s) and further that after the transfer such Permitted Transferee shall remain qualified to be a Permitted Transferee as defined above; or (ii) consequential to the exercise of the rights and powers by the chargee or mortgagee under a charge or mortgage of the Shares.

5. RESPONSIBILITIES OF THE PARTIES

5.1 Each Party shall, in addition to performing its obligations provided in other provisions of this Agreement, perform the following items under its responsibility and at its own expense, except where there is a separate provision in this Agreement or there is a separate agreement with the C including but not limited to the license agreement to be signed between [___A___] and the C (“License Agreement”) that provides for the sales license of the car navigation and in car navigation product (“Product”) by [___A___] to C.

   Responsibilities of [___A___]

5.2 [___A___] shall have the following responsibilities.
   a. Establishment and operation of the C in [_________] and the Subsidiary in [_________];
   c. [_________]  
   d. Other matters reasonably requested by the C.

   Responsibilities of [___B___]

5.3 [___B___] shall have the following responsibilities.
   a. Establishment and operation of the C in [_________] and the Subsidiary in [_________];
   b. [__________________]
   c. Assisting in: [____________________];
d. All responsibilities of [___B___] will be fulfilled at at least an equivalent quality and amounts/numbers as the services rendered to [____] by [___B___].
e. Other matters reasonably requested by the C.

6. DOING BUSINESS

6.1 The C shall establish the Subsidiary in [_________] to do business provided in Clause 2.2 above in [_________].

6.2 [__________]

6.3 [___B___] procures and guarantees that [________] will comply with the rights and obligations agreed upon in order to achieve the objectives through the C and economic prosperity for both Parties.

7. BOARD OF DIRECTORS

7.1 The C and the Subsidiary shall establish a Board of Directors, and the date of registration of the C and the Subsidiary respectively, shall be the date of establishment of the Board of Directors of the C and the Subsidiary respectively.

7.2 The Board of Directors of the C and the Subsidiary shall each be composed of 3 Directors, of whom one (1) shall be nominated by [___A___], and one (1) by [___B___]. Both Parties shall nominate a Vice Chairman. The term of a Director shall be [three (3)] years. Provided that each Party may change the director nominated and dispatched by it during the term by giving thirty (30) days advance notice to the other Party. Provided that any damages caused thereby shall be borne by the concerned Party who shall hold other Party harmless. The term of the new Director nominated as the result of the change shall be the remaining term of his predecessor. If upon the expiration of the term of a Director, each Party desires the same person to continue his/her position, then such Director shall be re-nominated.

7.3 The Board of Directors the C and the Subsidiary shall have one each of the Honorary Chairman and Chairman, and unless as otherwise resolved among the Parties, the Chairman shall be nominated and dispatched by [___A___] and the
Honorary Chairman by [___B__]. The term of the Honorary Chairman will not be fixed, provided that he will have the position of Director.

7.4 Each Party shall cause the directors appointed by them respectively to approve the establishment of the Subsidiary by the C in [_________] at the first board meeting of the C.

8. RESOLUTIONS

8.1 The Board of Directors shall be the highest organ of the C and the Subsidiary and shall decide the following important matters (hereinafter referred to as "Matters Requiring the Board Approval").

a. Amendment of the Clauses of Association of the C and the Subsidiary;
b. Dissolution and suspension of the C and the Subsidiary or extension of the term of the joint venture;
c. Increase of the registered capital of the C and the Subsidiary and transfer thereof;
d. [________________________]

8.2 Of the resolutions of the Board of Directors, the matters provided in preceding Clause 8.1, Items (a) through (___) shall require the unanimous vote of all the Directors or their proxies in attendance.

8.3 Of the resolutions of the Board of Directors, the matters as provided in preceding Clause 8.1, items (___) through (______) shall require the affirmative vote of 2/3 or more of the Directors or their proxies in attendance.

8.4 The detailed rules concerning the Board of Directors not provided in this Agreement shall follow relevant provisions of the Clauses of Association or the rules of the Board of Directors of the C and the Subsidiary.

9. LEGAL REPRESENTATION

The Chairman, for each company, shall be the legal representative of the C and the Subsidiary. Each Chairman shall represent the acts of the C and the Subsidiary, externally in accordance with the decision of the Board of Directors. If the Chairman is unable to perform his duties, the Vice Chairman shall perform the
duties on behalf of the Chairman. If the Vice Chairman is also unable to perform the duties, a Director in the other predetermined by the Board of Directors shall perform the duties of the Chairman.

10. BOARD MEETINGS

10.1 In principle, the meeting of the Board of Directors shall be held twice a year at the location of the C and the Subsidiary and the Chairman for each company shall have the responsibility for convening the meeting. By agreement of the Chairman and the Vice Chairman, the meeting may be held at another place. When more than one-third of the Directors does request so, the Chairman shall call the meeting. The first meeting of the Board of Directors shall be held within thirty (30) days after the establishment of each company.

10.2 The Chairman of each company shall send a notice in writing to each Director stating the agenda of the ordinary or extraordinary meeting of the Board of Directors, date and place of his company. Provided that the number of days may be reduced upon unanimous agreement in advance of the Directors.

10.3 The quorum of the meeting of the Board of Directors of each company shall be constituted upon the presence of majority of members or proxies as provided herein, and falling short thereof, the quorum will not be constituted and any resolution made thereby shall be void. If a Director is unable to attend the meeting of the Board of Directors, he may exercise his voting right by sending his proxy to the meeting of the Board of Directors with the submission of the power of attorney. Each Party shall be responsible for causing the directors nominated and sent by it or proxies to attend the meeting of the Board of Directors and secure their attendance.

10.4 Upon agreement of the Chairman and the Vice Chairman of each company, the convening of the meeting of the Board of Directors and resolution may be substituted by writing such as facsimile circulated and resolved by all of its Directors.

10.5 Of the reasonable expenses to be incurred in connection with attending the meeting of the Board of Directors, travel expenses, transportation expenses, lodging expenses meals and other the Board of Directors meeting related expenses shall be borne by each company.
10.6 The minutes of the meeting of the Board of Directors shall be made in two languages, i.e. English and [_________]. The company shall keep the minutes for the duration of its term after the directors or proxies attended affixed their signatures, and shall send without delay a copy thereof to each Director after the meeting of the Board of Directors is finished.

11. MANAGEMENT BODIES/ORGANS

11.1 The C and the Subsidiary shall each set up, the operation management organ below the Board of Directors and shall cause to take charge of the daily operation management affairs.

11.2 The Board of Directors of the C and the Subsidiary shall each designate one Executive Director to take charge of the daily operation, management and administration. Under the Executive Director, there shall be one General Manager, and one Deputy General Manager.

11.3 The Board of Directors of C and the Subsidiary shall appoint the person nominated by [___B___] and [___A___] (or: after consultation with [___A___]) as the Executive Director and General Manager and the person nominated by [___A___] as the Deputy General Manager, and shall decide their authority, compensation and dismissal. For other senior management officers, the Board of Directors shall decide the establishment, number, selection, authority, remuneration, dismissal and the like shall be decided and selected by the Board of Directors in accordance with the need in performing the affairs of the C and the Subsidiary.

11.4 The terms of the Executive Director, the General Manager and the Deputy General Manager shall be three (3) years and may be renewed. In the case of replacement during the term, the Party who nominated and sent him shall send thirty (30) days advance notice to the other Party and the Board of Directors, and shall bear all damages caused thereby, and hold other Party harmless.

11.5 The C and the Subsidiary shall each have the system under the guidance of the Board of Directors and the Executive Director shall be the highest person responsible for daily operation and management affairs. The Executive Director may also be appointed as General Manager and therefore act in dual capacity. The Executive Director shall represent the company externally within the scope
of authority given by the Board of Directors, and internally shall exercise the au-
thority over daily operation management. In disposing important matters, the
Executive Director and General Manager shall consult with the Deputy General
Manager.

11.6 When the General Manager is unable to perform his duties, the Deputy General
Manager shall perform the duties of the General Manager in his/her behalf.

11.7 The General Manager and Deputy General Manager shall make decisions togeth-
er of the followings:

a. Deciding the management policy, and plans for production, sale and proc-
curement for the long and medium terms;
b. Establishment of the standards concerning the labour conditions such as
wages of personnel and workers of the C and the Subsidiary, and their
bonus, welfare and the like;
c. [_______________];

12. GENERAL MANAGER

12.1 The General Manager shall be responsible to the Executive Director directly and
shall perform the following listed duties and submit the following drafts or plans
to the Executive Director and carrying out after approval by the Board of Direc-
tors.

a. Annual Business Plan;
b. Management policy and medium and long term development plans of the
C and the Subsidiary;
c. Selection, authority, remuneration and dismissal of management officers
(including the Deputy General Manager);
d. Rules and systems concerning the operation management of the C and the
Subsidiary;
e. Other matters which require the decision of the Board of Directors.

12.2 In compliance with the resolutions of the Board of Directors, making decisions
independently and carrying out the following matters.
a. Retailed implementation of items (a) through (e) of Clause 12.1;
b. Establishment of the operation management organs below the department managers and the selection of personnel;
c. Employment, dismissal, assignment, awards, and the like of personnel and workers;
d. Establishment of various rules, regulations and criteria concerning the daily operation management affairs;
e. Plan for training of personnel and workers and arrangement for execution;
f. Negotiation, conclusion and performance of contracts representing the company;
g. Other important matters in the daily operation.

12.3 The Deputy General Manager shall be responsible to the Executive Director directly and shall perform the following listed duties with fully consulting with the Executive Director: Submitting the following drafts or plans to the Executive Director and carrying out after approval by the Board of Directors.

a. Annual business finance plan;
b. Annual budget,
c. [_______________]

12.4 In compliance with the resolutions of the Board of Directors, making decisions independently and carrying out the following matters:

a. Wages, wage form, compensation, welfare, labour protection criteria;
b. Finance and accounting management related affairs.

13. EXECUTIVE DIRECTOR, THE GENERAL MANAGER AND THE DEPUTY GENERAL MANAGER

13.1 The Executive Director, the General Manager and the Deputy General Manager may not become the President or the Vice President of another economic organization without prior approval of the Board of Directors, and may not involve in commercial activities of another economic organization competing against the company.

13.2 In the event that the Executive Director, the General Manager or the Deputy General Manager commits dishonest act or brings substantial economic loss to the company by dereliction of his duties, or there is a just reason indicating that
he is not a appropriate person for the job, he may be dismissed at any time according to the resolution of the Board of Directors without making any compensation. After dismissal as aforesaid, the new Executive Director, the new General Manager and the New Deputy General Manager shall be nominated by the Party who nominated the former Executive Director, the former General Manager and the former Deputy General Manager and shall be appointed by the Board of Directors, their term to be the remaining term of the predecessors.

14. **LABOR MANAGEMENT**

14.1 For the matters concerning the recruitment, employment, dismissal and resignation, wages, labour insurance, welfare, rewards, penalty and other matters concerning the staff and workers of the C, the Executive Director General Manager shall decide the detailed implementing methods according to the standards reviewed and decided by the Board of Directors shall be determined by the Board of Directors and establish the employment rules of the C and other related regulations.

14.2 For the matters concerning the recruitment, employment, dismissal and resignation, wages, labor insurance, welfare, rewards, penalty and other matters concerning the staff and workers of the Subsidiary, the Executive Director General Manager shall decide the detailed implementing methods according to the standards reviewed and decided by the Board of Directors shall be determined by the Board of Directors in accordance with the Regulations of the [Country] on Labour Management in Joint Ventures Using [_______] and other related laws and regulations, and establish the employment rules of the Subsidiary and other related regulations.

14.3 Wage level, system and welfare of the staffs and workers of the Subsidiary shall be decided by the Deputy General Manager in accordance with the related laws and regulations of [________] and the standards decided by the Board of Directors. Such matters shall be adjusted in principle every year according to the business situation of the Subsidiary.

14.4 The Subsidiary shall decide employment of the staffs and workers according to the business need and employ by selecting superior persons through the testing method. The Subsidiary shall separately enter into a labour contract with each staff and worker to be employed and file it with the agency in charge.
14.5 The Subsidiary shall have the right to hand out, depending on the degree, reprimand, fine, pay reduction, demotion, suspension of working, advising retirement, dismissal and the like to the staffs and workers who violated various rules of the Subsidiary and the labor contract, and report the results thereof to the agency in charge.

15. **CRITERIA SALARY, EXPENSES**

15.1 The criteria of salary, insurance, welfare and travel expenses shall be determined by the Board of Directors and the Deputy General Manager shall have the responsibility for the details thereof.

15.2 All pay and compensation of the high-ranking management personnel of the C shall be fixed in [currency].

16. **TAXES; FINANCE**

16.1 The C shall pay taxes in accordance with relevant laws and regulations of [________] and receive tax preference according to relevant laws and regulations.

16.2 The Subsidiary shall pay taxes in accordance with relevant laws and regulations of [________] and receive tax preference according to relevant laws and regulations.

17. **FINANCE, ACCOUNTING**

17.1 The accounting of the C and the Subsidiary shall follow the International Accounting System.

17.2 The fiscal year of the C and the Subsidiary shall be from January 1 by the solar calendar of each year to December 31. Provided that the first fiscal year shall be from the date of establishment of the C to December 31 of the relevant year.

17.3 The accounting of the C and the Subsidiary shall employ the accrual basis and the double entry system, which are used internationally. The completeness in
procedures, the perfectness in the contents and the timeliness shall be the principles.

17.4 In principle, all vouchers, slips, balance sheets, and books shall be prepared in [__________]. Provided that in case where the Deputy General Manager deems it necessary, they shall be prepared in [__________] and English.

17.5 The Subsidiary may use [_____] as the currency for its books.

18. ACCOUNTING AUDIT

18.1 The C and Subsidiary shall prepare a loss and profit statement, balance sheets and other fiscal year reports for each month, each quarter and each fiscal year. The monthly accounting report shall be made by the end of the following month and the quarterly report shall be sent within thirty (30) days of the end of the relevant quarter, to each Party and at the same time, the Subsidiary’s financial information shall be submitted to concerned authorities of [__________], if requested or necessary.

18.2 The C and the Subsidiary shall prepare the accounting report of each fiscal year by the end of March of the following year, and report to the Board of Directors after obtaining audit by a certified public accountant registered in [__________]. Upon approval thereby, the C and the Subsidiary shall send it to each Party and at the same time, the Subsidiary will submit such report to concerned authorities of [__________]. All reports and financial statements shall be prepared in both [__________] and English.

18.3 Each Party may invite a certified public accountant from inside or outside [__________] to have the annual financial situation of the C and the Subsidiary audited, and the other Party shall give its consent thereto. The Party conducting the audit shall notify the C and the Subsidiary thirty (30) days beforehand and the C shall cooperate with such audit and make available all books and financial records of the C. Provided that expenses incurred for the audit shall be borne by the Party conducting the audit.

18.4 The Directors of the C may examine vouchers and accounting records of the C and the Subsidiary from time to time.
19. DISTRIBUTION OF PROFITS

20.1 The C shall, according to the criteria stipulated below, carry out profit distribution and loss disposition.

   a. Profit distribution shall not be made until the accumulated losses are replenished;
   b. Undistributed profits of the previous fiscal year may be distributed by including in the profits carried forward in the current fiscal year;
   c. Profits after tax of each fiscal year of the C shall be distributed at the end of the relevant fiscal year according to the investment ratio of the Parties, limiting, however, to the amount which, after setting aside the three funds under Clause 18.3, the Board of Directors approved by the unanimous vote that there will be no hindrance to the future production plan and fund plan of the C;
   d. All profit distribution shall be paid in USD at the most favourable exchange rate to the Parties.

20.2. The Subsidiary shall, according to the criteria stipulated below, carry out profit distribution and loss disposition:

   a. Profit distribution shall not be made until the accumulated losses are replenished;
   b. Undistributed profits of the previous fiscal year may be distributed by including in the profits carried forward in the current fiscal year.

20.3 Profits after tax of each fiscal year of the Subsidiary shall be distributed at the end of the relevant fiscal year to the C.

20.4 Except where there is an unavoidable situation, the distribution of profits to each Party shall be deposited in the bank account designated by each Party within [_________] days after the resolution of the Board of Directors of the C and deposit charges shall be deducted from the profits distributed to each Party.

21. TERM OF THE JOINT VENTURE
The term of the joint venture shall be ten (10) years, which shall be computed from the date of issuance of the business license of the C unless prior written termination notice is given by one Party to another or an event occurs as described in Clause 22. Such term may be extended under the same or new terms and conditions with the written consent of both Parties, at least six (6) months prior to the expiration date.

22. DISSOLUTION

22.1 Upon occurrence of any of the events below to the C as well as to the Subsidiary, any Party (excepting the Party falling under items (b and (d of this paragraph) may notify in writing the other Party demanding the consultation of the continued existence of the C or the Subsidiary. If the Parties (excepting the Party falling under items (b and (d of this paragraph) cannot reach an agreement on the resolution (including purchase by those desiring the continued existence of the investment of those desiring the dissolution) within 90 days after receipt of the notice, the Board of Directors of the C or the Subsidiary shall submit an application for dissolution and upon obtaining approval of the approving authorities shall dissolve the C or the Subsidiary. In that event, each Party shall have the obligation to cause the Directors or their proxies nominated and sent by it to attend the meeting of the Board of Directors and to vote affirmatively for the dissolution of the C or the Subsidiary.

a. [Where the C or the Subsidiary recorded the losses continuously for [three fiscal years (excepting the first fiscal year) or the enumerated amount of losses of the C or the Subsidiary exceed 50% of registered capital;]

b. Any Party does not perform its obligations provided in this Agreement, the Clauses of Association of the C or the Subsidiary or the Strategic Sourcing Agreement pursuant to the principles of good faith and mutual trust, or materially breaches the provisions of this Agreement or those of the Clauses of Association, so that the business of the C or the Subsidiary can no longer be carried out;

c. Force majeure provided in Clause 28 of this Agreement occurred, as a result of which the C or the Subsidiary suffered substantial loss and the business cannot be continued;

d. A Party is filed against or files for an application for bankruptcy or suspension of payment.
22.2 When the Parties agree on the dissolution, an application for dissolution shall be pursued to wind up the business and affairs of the C in accordance with the applicable law.

22.3 When the Parties agree on the dissolution, an application for dissolution shall be pursued to wind up the business and affairs of the Subsidiary in accordance with the applicable law and be submitted as well as be dissolved through approval of the approving authorities.

23. OPERATION AND MANAGEMENT ISSUE

23.1 When the Parties face a dispute where the Board of Directors or the shareholder’s meeting cannot reach a special resolution regarding the operation and management issue, both Parties shall exercise good faith effort to come to an amicable resolution.

23.2 If the Board of Directors or the shareholder’s meeting, of the C as well as of the Subsidiary, cannot reach a special resolution, and such unresolved condition continues for more than five (5) months (“Dead Lock”), then the following shall apply:

a. In principal, as soon as possible after the occurrence of a Dead Lock, the C or the Subsidiary, as the case may be, shall be dissolved through the resolution of the board of directors and shareholder’s meeting.

b. The License for the marketing, sale and distribution of the Products granted by the [___A___] to C shall be terminated simultaneously upon the occurrence of a Dead Lock and the dissolution of the C.

24. DISPOSITION OF ASSETS

24.1 When the C is dissolved upon expiration of the term of the joint venture or for other cause, the C shall be liquidated expeditiously in accordance with the relevant laws and regulations of [__________]. The assets of the C shall be caused to be appraised by an organization with the international reputation, which is recognized by the Board of Directors and shall be sold according to the appraised amount at the most favourable prices. In the event that a Party desires to purchase the assets of the C, the sale will be made at the appraised amount after
obtaining consent of the Parties. The right to use the land shall be disposed according to the laws and rules. All licenses issued among the Parties and C, shall automatically be terminated for no value.

24.2 When dissolving, the C shall organize the liquidation committee and liquidate the properties. The details thereof shall follow the Clauses of Association.

24.3 When dissolving, the Subsidiary shall follow the same procedures as stated in this Clause 24 but in accordance with the relevant laws and regulations of [__________]. The Subsidiary shall organize the liquidation committee and liquidate the properties, where the assets of the Subsidiary shall be appraised and sold at the most favourable prices. The details thereof shall follow the Clause of Association of the Subsidiary.

24.4 The properties remaining after the liquidation shall be distributed to the Parties according to the then investment ratio of the Parties. The C shall calculate the amount of each Party to be distributed in USD.

25. INSURANCE AND CONFIDENTIALITY

25.1 Regarding the various insurances of the C, the Board of Directors of the C shall study and decide the objects to be insured, types of insurance, value to be insured, insurance term and the like.

25.2 The Parties shall not disclose to any third party any confidential information of the other Party obtained in connection with this Agreement, and take measures to ensure that its employees, representatives, agents and consultants do not to disclose. The obligation above shall survive for two(2) years after the expiration or the termination of this Agreement.

26. AMENDMENT OF THE AGREEMENT

Amendment of this Agreement or documents attached hereto shall be valid only when agreed upon by the Parties, prepared the contents of the agreement in writing, signed, applied to the approving authorities and obtained approval.

27. LIABILITIES FOR BREACH
27.1 In the event that a Party has failed to pay the entire amount of investment by the time limit provided in Clause 3.4 of this Agreement, the failing Party shall pay to the C a penalty of \([0,5]\)% per day on the amount unpaid starting from the payment due date. If payment is not made until the lapse of one month from the payment due date, any of the non-failing Party may notify in writing asking for payment and if no payment is made until the lapse of one (1) month after the date of notice, the failing Party shall lose all the rights granted in this Agreement and may not demand the refund of investment already made. The failing Party shall be liable to the other Party and the C to compensate damages caused thereby.

27.2 If a Party breaches this Agreement, as a result of which the other Party or the C or the Subsidiary suffered damages (including in the event of the dissolution according to Clause 23), the breaching Party shall be liable to the other Party and the C or the Subsidiary to compensate damages.

28. **FORCE MAJEURE**

If the performance of this Agreement is directly affected or cannot be performed according to its provisions by the occurrence or consequences of force majeure which were unpreventable or unavoidable, such as earthquake, typhoon, fire, flood, strike, war (regardless whether declared or not), and other unforeseeable cause, the Party affected by force majeure shall notify the other Party of the force majeure situation and within fifteen (15) days submit the documents describing the details of the situation, and stating the reasons why this Agreement cannot be performed or cannot be performed partially, or why it is necessary to extend the entire or partial performance. The other Party shall study the measures according to the degree of influence the concerned force majeure will have on the performance of this Agreement, and shall decide whether the Party affected by force majeure should be exempt partially from performing the obligation, or whether only part or the entire Agreement should be postponed, and whether the C or the Subsidiary should continue considering Clause 23 paragraph, item (3)

29. **GOVERNING LAW GOVERNING LAW AND RESOLUTION OF DISPUTES**

29.1 The execution, validity, nullification, interpretation, performance and resolution of dispute shall be governed by the laws of Switzerland.
29.2 All disputes arising from the performance of this Agreement or in connection with this Agreement shall be resolved by the Parties through amicable consultation. If a dispute is not resolved within sixty (60) days, it should be settled by arbitration applying the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC") at Singapore.

29.3 Pending the resolution of a dispute after the occurrence thereof, the responsibilities and obligations provided in this Agreement and the Clauses of Association of the C and the Subsidiary shall be performed continuously.

30. LANGUAGES

30.1 This Agreement is prepared in English and [__________]. The Agreement in such languages shall be equally valid. In case of conflict, the English version shall govern and prevail.

31. EFFECTIVENESS OF THE AGREEMENT AND OTHERS

31.1 This Agreement and the Clauses of Association of the Subsidiary shall be subject to the authorization of the [__________] government of the approving authorities and shall become into effect as of the date of authorization.

31.2 If conditions are attached in the authorization by the approving authorities, the Parties shall consult whether to accept such conditions.

32. NOTICES

32.1 Notices to be given between the Parties and from the C as well as the Subsidiary to the Parties concerning this Agreement shall be given to the addresses below in writing or by telegraph, telex or facsimile. The Party shall notify the other Party of the change of address in writing, or by telegraph, telex or facsimile.

[___B___]
Attn. Mr. [__________]
[ADDRESS]
[__________]
DRAFT FOR DISCUSSION PURPOSES ONLY

32.2 Any and all notices or communications to the [___A___] shall, as long as the [___A___] has not given any address to the [___B_____] or C, be sent to the following address:

[___A___] HOLDING
Attn. [______]
[_____________]

33. MISCELLANEOUS

33.1 When any of the provisions of this Agreement are held invalid under the relevant laws and regulations, all other provisions shall remain valid.

33.2 The Clause of Association of the C and the Subsidiary shall be written in accordance with the terms and conditions set forth in this Agreement. In case of discrepancy in interpreting the provisions of the Clauses of Association of the C and/or the Subsidiary and those of this Agreement, the provisions of this Agreement shall govern.

33.3 This Agreement shall not be nullified by the replacement of the legal representatives or authorized representatives of the Parties.

33.4 This Agreement is executed on ____th of August, [__20__] by the legal representatives or authorized representatives of the Parties.

33.5 This Agreement shall be prepared in originals each in English and each Party shall keep one set and two sets shall be submitted to the approving authorities.

33.6 The Parties shall cause the C and the Subsidiary to have the first meeting of the Board of Directors approve those items, which are made as the duties of the C and the Subsidiary in this Agreement.

33.7 Neither Party shall provide to the C and the Subsidiary any illegal information, such as information collected or processed by using the illegal or unjust method; information which is immoral or harmful to good custom or the social order; information infringing intellectual property of others; information invading the honor, private life and character of others; and false or exaggerated information. If an action, claim, protest or criminal charges are brought by a third party
against the C because of such information having been made available by either Party or its directors or employees, such Party shall at its expense and under its responsibility hold the C and the Subsidiary harmless and compensate damages caused thereby to the C and the Subsidiary.

33.8 Other matters not provided in this Agreement and difference in interpreting the provisions of this Agreement, the Parties shall decide upon consultation.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Date: __________, 20[___]

[___A___] [___B___]

By: ____________________________ By: ____________________________

Name: __________________________ Name: __________________________

Title: __________________________ Title: __________________________