

JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT (this “Agreement”) made and entered into as of the _____, 2017 by and between **Pheasant Co. Ltd.**, a corporation established under the laws of Japan, and having its principal place of business at _____ (hereinafter “Pheasant”) and **Eagle Corporation**, a corporation established under the laws of _____ and having its principal place of business at _____ (hereinafter “Eagle”),

WITNESSETH:

WHEREAS, Pheasant has been well-experienced in manufacturing of the electric appliance as described in the Attachment A and desires to establish joint venture so that it can expand its business in _____; and

WHEREAS, Eagle, having established its presence in electric appliance business, is interested in the business of Pheasant and willing to establish joint venture with Pheasant in _____.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Pheasant and Eagle hereby agree as follows:

Article 1 Definitions

Following terms shall have the meaning designated below when referred under this Agreement

- 1.1. The “Company” shall mean the new corporation to be established by Pheasant and Eagle jointly pursuant to this Agreement in _____ under the laws of _____.
- 1.2. “Business Objectives” shall mean business purposes of the Company to be set forth in the Attachment B and also in the Articles of Incorporation of the Company.
- 1.3. “Effective Date” shall mean the date when all governmental or regulatory requirement to legally establish the Company under the applicable laws or regulations are cleared.

1.4. “ Product” shall mean those products to be manufactured by the Company, of which specifications will be more closely defined in Attachment A.

1.5. “Territory” shall mean _____ as set forth in the Attachment C.

Article 2 Establishment of the Company

2.1 As soon as practically possible after the execution of this Agreement, the Company shall be established by Pheasant and Eagle at _____. The trade name of the Company shall be _____. All expenses to be incurred related to establishing, such as commercial registrations, registration or taxes, filing fees, or professional service fees associated with the establishment of the Company, shall be borne by the Company.

2.2 The Articles of Incorporation of the Company shall clearly states that the main business objectives of the Company shall be to manufacture and sell Product within the Territory.

2.3 The Company shall have an initial authorized capital of _____ shares of Common Stock. At the time of establishment, the Company shall issue _____ shares at a price of _____.

Article 3 Capital Contribution of Pheasant and Eagle

3.1 Both Pheasant and Eagle shall initially subscribe for shares to be issued in accordance with 2.3 as follows:

Initial Subscription by Pheasant: _____ shares

Initial Subscription by Eagle: _____ shares

3.2 Pheasant and Eagle shall have pre-emptive rights on additional capital contribution to the Company. Therefore, unless otherwise agreed upon by both parties hereto, the contribution ratio shall be the same as the ratio of initial capital contribution made by Pheasant and Eagle. In case either party does not exercise its pre-emptive rights on new shares, the other party shall have the pre-emptive rights to such shares not subscribed by the party which did not exercise its pre-emptive rights.

3.3 Pheasant and Eagle hereby expressly agree that neither party shall sell, assign, pledge or transfer any of the shares of the Company owned by each party respectively without the prior approval of the Board of Directors of the Company.

Article 4 Shareholders' Meetings

4.1 Board of Directors of the Company shall convene annual ordinary general shareholders meeting of the Company at the principal office of the Company within ____ days after its closing of the fiscal year of the Company. Notice of such annual general shareholders meeting shall be made either by letters or e-mail to shareholders ____ days prior to the date of the meeting and such notice shall describe in detail the contents of reporting matters and/or proposition necessary for obtaining approval from shareholders.

4.2 Pheasant and Eagle shall exercise any of its voting rights as shareholders of the Company, including but not limited to, as to

- (i) Appointing or discharging any of the Directors of the Board or Statutory Auditors of the Company,
- (ii) Approving remunerations of each Director,
- (iii) Approving financial statements of each fiscal year and dispositions of profit, and
- (iv) Resolving matters which empower any provisions of this Agreement.

Article 5 Board of Directors of the Company

5.1 During the term commencing from the completion of the incorporation of the Company until the conclusion of first general shareholders' meeting of the Company, the Company shall have the ____ Directors, ____ shall be designated by Pheasant and ____ shall be designated by Eagle. All Directors shall be elected by the shareholders' meeting of the Company. Tenures of each director after the first ordinary general shareholders' meeting shall be until the conclusion of the next ordinary general shareholders' meeting from his/her assumption of the office of the Director of the Company. In case of death, resignation or removals of directors, Pheasant and Eagle shall agree to appoint a new director nominated by the party who had nominated such dead, resigned or removed director.

5.2 The Company shall have ____ statutory auditors. Pheasant and Eagle can nominate ____

and ____ statutory auditors respectively and such statutory auditors shall be elected by the shareholders' meetings of the Company. Tenure of each statutory auditors shall be in comply with the requirement of applicable local laws.

5.3 Both Pheasant and Eagle shall agree upon the CEO of the Company as from the directors.

5.4 The Company shall hold Board of Directors' Meeting at least every three month of each fiscal year of the Company.

5.5 Each of the Directors and Statutory Auditors of the Company shall be given timely written notice (including e-mail transmission) of the time, date, venue of the board meeting no later than one (1) week prior to the date of the meeting. Notice shall set forth agenda for the meetings and propositions which need board resolutions. Unless otherwise provided by the applicable laws or Articles of Incorporation of the Company, resolution of the Board of Directors Meeting shall be made by the affirmative vote of more than 50% percent of the Directors present at the Board of Directors' Meeting.

Article 6 Accounting, Books and Records

6.1 The Accounting Period of the Company shall commence on January 1 and end on December 31 of the same year.

6.2 The Company shall keep true and accurate books of financial, accounting and any other related records in compliance with generally applicable accounting practices, rules or regulations in _____. Within 10 days after the closing of each month, the Company shall submit to Pheasant and Eagle an un-audited balance sheet and profit/loss statements of each month. Balance Sheet and profit/loss statement of each quarter shall be reported to Pheasant and Eagle within 10 days after the closing of each quarter, and also be reported at the Board of Directors' Meeting of the Company. At the end of each fiscal year of the Company, the accounting books and records shall be audited, at the expense of the Company, by an independent certified public accountant firm with international reputation which is competent and capable of auditing the books of the Company. Such independent firm shall prepare certified audit report.

Article 7 Business Plan

Immediately after the execution of this Agreement, Pheasant and Eagle shall mutually agree upon the business plan of the Company. The business plan shall include revenue prospects of revenues, expenses, income and development of the business for manufacturing and selling Product within the Territory. The draft business plan shall be made by Pheasant for approval of Eagle and both parties shall reach an agreement on this business plan no later than 60 days prior to the beginning of each fiscal year.

Article 8 Representations and Warranties

At the execution of this Agreements, each hereby represents and warrants to the other party that:

- (i) each party has the full corporate right, power and authority to enter into this Agreement
- (ii) actions required to perform or execution of this Agreement or performance of any obligations hereunder shall not violate any applicable laws or regulations or any agreement to which each party is bound,
- (iii) neither party is aware of any legal action or proceeding pending which seeks injunctions of this Agreement or prevent either party from performing obligations hereunder

Article 9 Duration

This Agreement shall come into force as of Effective Date and continue for an indefinite duration, unless this Agreement shall be terminated in accordance with the conditions below.

Article 10 Dissolution and Liquidation

10.1 The Company will be dissolved and its assets liquidated in the event of any of the following:

- a. a unanimous vote by the parties to dissolve the Company;
- b. If the Company is constantly unable to repay its debts for the period of ____ days; or
- c. If the Company has losses in the audited financial statements for ____ consecutive years exceeding the amount of _____ in accumulation loss.

10.2 On dissolution, the Company will be liquidated promptly and within a reasonable time. On

the liquidation of the Company assets, distribution of any amounts to parties will be made in proportion to their respective capital contribution ration or as otherwise may be agreed in writing.

Article 11 Non-Competition

During the term of this Agreement and one year after any termination of this Agreement regardless of whether this Agreement is terminated by Pheasant or Eagle, Eagle agrees that it shall not directly or indirectly enter into in any other business which involves in the manufacture, development, marketing or distribution of any types of products which are similar to Product within the Territory.

Article 12 Confidential Information

During the term of this agreement and 5 years after termination or expiration of this Agreement, each party shall keep strictly confidential and shall not disclose, publish or otherwise dispose of any confidential information of the other party which was disclosed by or received pursuant to this Agreement or by reason of the performance of the other party of its obligations hereunder or its activities relating to the Company. Upon the termination of this Agreement, each party shall either destroy or return to the other all memoranda, notes records, reports or any other documents relating to the confidential information.

Article 13 Dispute Resolution

All controversies or differences which may arise between the parties in connection with this Agreement or any breach of this Agreement shall be amicably settled though good faith negotiation between the both parties hereto. However, should such negotiation fail to reach a settlement within 6 months, both parties agree to settle such dispute by binding arbitration in accordance with the arbitration rules of International Chamber of Commerce. The venue of the arbitration shall be at_____.

Article 14 Governing Law

This Agreement shall be governed and construed in accordance with the laws of _____.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by their authorized representatives in English and in duplicate.

Pheasant Co. Ltd.,

Eagle Corporation
