**JOINT VENTURE AGREEMENT**

THIS JOINT VENTURE AGREEMENT is made on the \_\_\_\_\_\_\_\_\_\_\_\_\_ day of ­\_\_\_\_\_\_\_\_\_\_\_\_\_ 2012

**OPERATIVE PART**

**1. Definitions and Interpretation**

1.1 The following Agreement contains the following terms and shall have the following meanings unless specifically stated otherwise:

**"Agreement"** means this Agreement including the schedules and annexures as amended from time to time;

**"Participant" -** Individuals listed in Clause 3;

**"Company" -** The organization formed by this Agreement under the name as stated in Clause 2.1;

**"Business" -** the business of carrying on activity together with any other business conducted by the Joint Venture from time to time;

**"Joint Venture” -** the association constituted by this Agreement;

**"Shareholder Stake" -** Clause 11;

**"Share" -** A Participant's undivided right, title and Share (as a percentage as stated in Clause 11.1) in:

(a) the Joint Venture Assets including but not limited to the Business;

(b) all the Participant's rights, title, obligations and Share into and under this

Agreement.

**"Company Assets" -** All activities, physical property, physical products and intellectual property all created within and attributed to the Company;

**"Loved One" -** Friend and/or marital partner of the Participant;

**"Relative" -** An individual related to the Participant by blood;

**"Weekly Sprints" -** A string of tasks assigned to the Participants that needs to be done within a week.

**2. Name of Company:**

2.1 "Sonic Punch Studio"

**3. Participants:**

3.1 Damien Tsui (Founder)

3.2 Tony Nguyen (Co Founder)

**4. Company Goal:**

4.1 To pioneer and innovate new game ideas for emerging platforms.

**5. Roles and Responsibilities:**

5.1 Game Designer: **Damien Tsui** - In charge of producing details, in the form of internal and external documentation, for the structure, functions and features of the company product. Also in charge of pitching any game design ideas to the Company.

(a) The Co Founder will retain unconditional veto privileges.

5.2 Software Engineering: **Tony Nguyen -** Research and development of in-house solutions and the procurement of 3rd Party solutions and the purpose of the Company product.

(a) The Game Designer / Founder will retain unconditional veto privileges

5.3 Concept Artist: **Damien Tsui** - In charge of Art Direction and Character Concept.

5.4 2D Artist: **Damien Tsui**

5.5 3D Artist: **Damien Tsui**

5.6 Sound Design: **Damien Tsui**

5.7 Quality Assurance: Shared responsibility between **Damien Tsui** and **Tony Nguyen.**

5.8 Marketing Strategy: Shared responsibility between **Damien Tsui** and **Tony Nguyen.**

5.9 Public Relations: **Damien Tsui** - Acting Marketing Strategies and fronting the public face of the company.

5.10 Accountant: **Tony Nguyen** - Responsible for reporting to the Stakeholders moneys payable and receivable. Also responsible for ensuring that the finances are separated from the Company's research and development efforts.

**6. Management Structure:**

6.1 The Participants of the Company shall oversee the regular conduct of the Company Goal pursuant to this Agreement.

6.2 No external individuals shall be involved with the Company's activities without mutual agreement between the Founder and Co-Founder.

(a) The qualities that the Founder and Co-Founder shall look for in new members include:

(i) The ability to fit within the team environment of the Company

(ii) Possesses skills equal or higher than the existing individuals within the Company.

**7. Meetings:**

7.1 The Participants shall hold weekly meetings on Monday and Wednesday, between 8 PM to 12 AM (total 8 hours face-to face per week).

(a) The purpose of the Wednesday meetings is to organize weekly tasks and kick-start the working week.

(b) The purpose of the Monday meetings is to review the project's weekly progress and to address any issues that may arise during weekly sprints.

**8. Organization and Structure of Project Tasks:**

8.1 The Company will be utilizing a ticketing system to organize and assign tasks for any Weekly Sprints between the Participants.

**9. Voting and Decision Making:**

9.1 The Founder and Co Founder has all powers of management and control of the Company.

9.2 All decisions shall be made, resolved or passed by Unanimous Consent between all Participants.

**10. Decisions Requiring Unanimous Consent:**

10.1 Changes to this Agreement;

10.2 Renewal of this Agreement;

10.3 Changes to assigned roles and responsibilities;

10.4 Raising capital or funding and/or any future funding of the Company;

10.5 Expenditures;

10.6 Distribution of profits;

10.7 Borrowing of any money in the name of the Company or in the name of the Joint Venture;

10.8 Any financial liability covering debts or deficiencies that may arise in the event of Clause 13.1.c.i;

10.9 Issues in regards to public facing;

10.10 Shares distribution;

10.11 Dividend yield;

10.12 Transfer of Intellectual Property and Company Assets;

10.13 Sale of any aspect of the Company Assets.

**11. Shareholder Stake**

11.1 The Founder will receive 60% of the Company's shares and the Co-Founder 40%.

11.2 Dividend yield will be 100% on net profits.

**12. Dividend Payout**

12.1 Dividends will be paid out to each Participant on the last Thursday day of each month of the financial year.

**13. Termination**

13.1 The Joint Venture shall be considered terminated in any the following events:

(a) By mutual consent of all the Participants;

(b) On termination of the Contract or any renewal thereof;

(c) If mutually agreed by the Participants on completion of the sale or realization of the whole of the Company Assets.

(i) In the event of the sale of the Company Assets the net profit shall be distributed amongst the participants on a pro rata basis as specified in Clause 11.

13.2 If any Participant decides to terminate the Contract as specified in this Agreement:

(a) The terminating Participant shall retain all of his/her Share of profits and Company Assets and shall hold selling rights unless an agreement has been unanimously settled between the terminating Participant and the Company.

13.3 The Contract as specified in this Agreement shall also be considered terminated if any of the Participants is declared clinically-dead or missing.

(a) If the Contract is terminated on such occasions, all profit Shares, Company Assets and liabilities attributed to the affected Participant shall be transferred to the affected Participant's elected loved one(s) or relative(s).

(i) Loved ones(s) or relatives(s) must be elected in writing in a separate agreement.

(ii) The elected loved one(s) or relatives(s) shall hold all transferral and selling rights of the affected Participant's profit Shares and Company Assets.

**14. The Joint Venture Relationship**

14.1 The Participants have entered into this agreement with the intention that it shall operate between them with fairness and without detriment to the interest of any of them on the basis of a relationship involving mutual trust, good faith and confidence and on the understanding that subject to this Agreement each one has the rights to participate in the profits (if any) of the Joint Venture in proportion to the Shareholder Stake as specified in Clause 11.

14.2 The Participants agree that:

(a) The Company shall be conducted as a commercial venture with good commercial practice;

(b) Unless specifically stated otherwise in this Agreement, a Participant shall not have authority to act form, or create or assume any responsibility or obligation on behalf of, any other Participant.

14.3 Each Participant covenants and agrees with the other Participants:

(a) To refer to the Joint Venture all work which may be carried out by the Joint Venture;

(b) To diligently observe and perform its obligations and commitments in respect of the Joint Venture and pursuant to this Agreement;

(c) To make available for the purposes of the Business the interest owned or controlled by it in the Joint Venture Assets;

(d) Not to give any credit and/or lend any money on behalf of the Joint Venture to any person, firm, company or entity other than in the ordinary course of business of the Joint Venture conducted in a normal and proper manner: not without the consent of the other Participants borrow or raise any money or incur any debt on account of the Joint Venture;

(e) Not to compound, release or discharge any debt which shall be due or owing to the Joint Venture without receiving the full amount thereof other than the ordinary course of the business of the Joint Venture conducted in a normal and proper manner;

(f) Not to be involved in an act, matter or thing where the good will, commercial reputation and image of the Participants and/or Company may be prejudicially affected.

14.4 No Participant shall possess the authority to do anything whatsoever with the Company Assets or to bind the Participants unless provided for in this Agreement. No Participant shall encumber the Company Assets or the Shareholder Stake without mutual consent between the Participants as specified under Clause 9.14.

14.5 All Participants shall be under limited liability in the event of any loss or damage of any kind whatsoever from a breach of default in the performance or observance of any duties or obligations by such Participant under this Agreement.

14.6 Save as otherwise stated in the Agreement until termination of this Joint Venture unless otherwise mutually agreed by the Participants, no Participant is entitled to call for any return of any capital contributed and no Participant is entitled to call for a transfer to it of any Company Assets, specific or in general, or part thereof.

**15. Accounts**

15.1 The Accountant shall procure accurate and proper books of accounts and records of all income received and expenditure incurred in connection to the Company and shall retain all documents and reporting and evidencing entries in such books and records. Such books of account and records shall be available at all times for the duration of the Agreement for inspection by any Participant or authorized representatives.

**16. Transfers**

16.1 Participants shall not transfer the whole or any portion of its Share to any third party (other than a Related Corporation) unless unanimously agreed to between all Participants or should a situation outlined in Clause 12.3 occur.

**17. Acknowledgements and Warranties**

17.1 Each party to this Agreement which is a company represents and warrants to all the other parties that is a company duly incorporated and validly existing and has all requisite powers to enter into this agreement powers to enter into this Agreement and perform and observe the obligations hereunder.

17.2 Each party to this deed severally represents and warrants to and for the benefit of each other party that this deed has been validly executed and delivered and that it constitutes a valid, binding and enforceable obligations of it in accordance with its terms.

**18. Confidentiality**

18.1 The Participants agree to keep this Argument and any activity done within the Company confidential except as required by law and with the mutual consent between all Participants.

**19. General**

19.1 This Agreement will be in effect when the Participants of this Joint Venture have executed the Agreement in the presence of at least one witness of high authority.

(a) Love one(s) and relatives(s) of the Participants are not eligible as witness(es) for the signing and execution of this Agreement.

19.2 This Agreement comprises the entire agreement between the Participants in relation to the subject matter and shall not be affected by any earlier agreement, oral or written, in relation to this Agreement.

19.3 This Agreement may not be amended or varied except when mutually agreed upon in writing and signed by all Participants in this Agreement.

19.4 If all or part of any clause of this Agreement is illegal or unenforceable that part or clause shall be severed from this Agreement and will not affect the continued operation of the remaining provisions of this Agreement.

**Executed as a Deed:**

**Executed** by

Founder: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Damien Tsui

6 Citadel Crescent, Castle Hill NSW 2154, Australia

**Executed** by

Co-Founder: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tony Nguyen

39 Wallace St, Sefton NSW 2154, Australia

**This Agreement is Signed and Executed in the presence of:**

Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name of Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**This Agreement is Signed and Executed in the presence of:**

Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name of Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_