

TECHNICAL COLLABORATION AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF DOMESTIC COMPANY]

an Indian company incorporated under the Companies Act, 1956
and having its registered office at _____ [address]
(hereinafter referred to as "Indiaco")

- and -

[NAME OF FOREIGN COMPANY]

a foreign company incorporated under the laws of _____
and having its principal place of business at _____ [address]
(hereinafter referred to as "Foreignco")

WHEREAS Indiaco is engaged in the manufacturing and marketing of _____
[describe product(s)] and has considerable engineering and technical know-how, information and
equipment with respect to the said _____ and their method of manufacture.

AND WHEREAS Foreignco is desirous of manufacturing in India and marketing in India and other
countries the various types of items which are set out in Schedule A hereto annexed (hereinafter
referred to as "Products") on the terms and conditions herein contained.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual
covenants and agreements contained in this Agreement and for other good and valuable
consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the
parties hereby agree as follows:

1. *Definition of Technical Know-How.* "Technical know-how" means and includes all data,
information, assistance, manuals, instructions, manufacturing technology, drawings, designs,
inventions, processes, patents, engineering and manufacturing skill and other technical information,
whether patent or patentable or not, which are presently owned by Foreignco or which may be so
owned during the term of this Agreement, pertaining to the plant and machinery, dies and moulds,
assembly, etc., in order to successfully perform, amongst other things, the following activities:

- (a) acquisition, erection, installation, commissioning and layout of the plant for manufacturing
the Products (including foundation details);
- (b) procurement from third parties of standard bought-out items and machinery for the
acquisition, erection, installation and commission of the plant;
- (c) adoption / adaptation of data and information received under this Agreement to the
conditions prevailing in the plant in India;
- (d) selection of raw materials (including chemical compositions and physical characteristics); and
- (e) assembly and manufacturing of the Products.

"Patents" means all patents or inventions owned by Foreignco at the date of signing of this
Agreement, and shall include any subsequent patents, additions, improvements, innovations,
knowledge and information concerning the Products, acquired or gained by Foreignco subsequently
during the term of this Agreement.

2. *Manufacture of Products.*

- (a) Foreignco shall fully and promptly furnish Indiaco with such technical know-how as Indiaco
may require from time to time during the term of this Agreement in order to perform its
duties hereunder with respect to the manufacture of the Products.

- (b) Foreignco will depute ____ technicians, at the expense of Indiaco, to establish and operate the plant located at _____ and to train ____ Indian technicians in its work at such plant, at the expense of Indiaco.
- (c) Indiaco, at its sole expense, shall procure and maintain patents in India on such inventions and improvements made by Indiaco as Indiaco in its sole discretion shall decide. Foreignco shall also have the right to use the inventions and improvements in all countries outside India and shall take full title to patents on such inventions and improvements procured by Foreignco outside India. However, Foreignco shall not, without the consent of Indiaco, license any third party under said patents except its subsidiaries, its parent company or other subsidiaries of the parent company.
- (d) Indiaco shall manufacture the Products in strict accordance with the technical know-how, the standard of quality embodied therein or as may be set from time to time by Foreignco. To ensure the performance of this provision, Foreignco shall have the right to inspect, at reasonable intervals and during business hours, the plant and facilities for the manufacture of the Products.

3. ***Licence.*** Subject to other provisions of this Agreement, Foreignco hereby grants to Indiaco:

- (a) an exclusive licence to make in India the Products by the use of any or all of Foreignco's technical know-how; and
- (b) a non-exclusive licence to use and sell the Products throughout the world.

4. ***Consideration.***

(a) In consideration of the transfer of technical know-how and the assistance to be rendered by Foreignco as herein provided, Indiaco hereby agrees to pay a lump sum fee of _____ [*insert currency*], equivalent to Indian Rupees _____ only to Foreignco, to be paid as follows:

- (i) upon signing this Agreement: _____
- (ii) upon filing agreement with Reserve Bank of India: _____
- (iii) upon delivery by Foreignco of complete design and engineering documents: _____
- (iv) upon commencement of commercial production of Products: _____

TOTAL: _____

THIS IS A 5-PAGE DOCUMENT.