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|  |
| --- |
| **[insert date]** |
|  |
| 1. **[insert party name]** |
| **and** |
| 1. **[insert party name]** |
|  |
| **CONSORTIUM AGREEMENT** |

This consortium agreement ("**Agreement**") is made and entered into on [●] ("**Effective Date**"), by and between:

1. **[insert Company A Name],** a company incorporated and existing under the laws of [●], with commercial registration number [●] whose registered office is at [●] ("[**Company A**]");
2. **[insert Company B Name]**, a company incorporated and existing under the laws of [●], with commercial registration number [●] whose registered office is at [●] ("[**Company B**]"),

each a "**Party**" and together the "**Parties**".

**BACKGROUND**

1. The Ministry of Industry and Mineral Resources ("**MIM**") of the Kingdom of Saudi Arabia launched a licensing round on [insert date] for [insert site] ("**Site**") pursuant to which MIM will issue an exploration license ("**Exploration License**") to the successful bidder for the Site ("**Licensing Round**").
2. MIM issued an Information Memorandum in relation to the Licensing Round in which it has set out the rules, criteria and requirements for bidders to submit a valid proposal ("**Proposal**") to be the successful bidder and receive the Exploration License.
3. The Information Memorandum permits bidders to form consortiums to submit a Proposal and accordingly the Parties agreed to form a consortium to jointly submit a Proposal to be considered as the successful bidder for the Site.

IT IS AGREED that:

1. **ESTABLISHMENT OF THE CONSORTIUM**
   1. The Parties agree to establish an unincorporated consortium to jointly submit a Proposal in relation to the Licensing Round ("**Consortium**").
   2. The Parties agree that their participation in the Consortium will be as follows:

|  |  |
| --- | --- |
| **Party** | **Participation (%)** |
| [Company A] | [●] |
| [Company B] | [●] |

* 1. The Parties acknowledge and agree that if the Consortium is announced as the successful bidder for the Site, they will be required to incorporate a legal entity in KSA and the shareholding of that legal entity will be equal to each Party’s interest in the Consortium. The Parties undertake to cooperate and use their [best] endeavors to incorporate the legal entity within the timeframe prescribed by MIM.
  2. [insert other provisions]

1. **ROLES OF THE PARTIES**
   1. [Company A] will be responsible for the following:

[insert]

* 1. [Company B] will be responsible for the following:

[insert]

* 1. The Parties agree that [insert] will act as the ‘Lead Consortium Member’ and [insert name] is hereby appointed to act as the [key contact] who will be responsible for liaising with MIM and receiving any correspondence in relation to the Consortium’s participation in the Licensing Round including receipt of any clarification requests prior to or post Proposal submission.
  2. The Lead Consortium Member undertakes to ensure that the other Party is promptly informed of any communication received from or on behalf of MIM in connection with the Licensing Round and the Proposal submitted.
  3. In case of any clarification or additional information request received by MIM relating to the Consortium, the Proposal or the Parties’ participation in the Licensing Round, the Parties undertake that they will promptly share any correspondence received and will cooperate to respond to any requests by MIM in a timely manner.

1. **GOVERNANCE AND DECISION MAKING**

[insert parties’ agreement relating to governance and decision making at consortium level].

1. **PROPOSAL SUBMISSION**
   1. The Parties agree to fully cooperate to prepare a Proposal in accordance with the components and requirements set out in the Information Memorandum and the Proposal Application Form published by MIM for the Licensing Round. [[insert] will take the lead in preparing the Proposal.]
   2. Each Party’s contribution in the Proposal will be based on its capabilities and areas of expertise as further set out in clause 2.
   3. The Parties will use their [best] efforts to ensure the Proposal is ready for submission by [insert date] being the submission deadline set out in the Information Memorandum.
   4. [*insert other provisions relating to proposal preparation and submission*]
2. **ADDITIONAL ARRANGEMENTS**

The Parties acknowledge that further commercial arrangements relating to the incorporation of the legal entity if the Consortium is selected as the successful bidder including the Party’s rights in the entity, change of control, or lock-in periods may be agreed separately, and such terms shall be reflected in a further agreement as appropriate.

1. **WARRANTIES AND REPRESENTATIONS**

Each Party warrants and represents to the other Party that:

1. it is duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated;
2. it has the power and capacity to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
3. it and its directors have taken all necessary action to authorize the signing, delivery and performance of this Agreement;
4. this Agreement constitutes valid and binding obligations upon it, enforceable in accordance with the terms of this Agreement; and
5. this Agreement does not conflict with, nor result in a breach of, or default under, any provision of its constitution or any material term or provision of any agreement to which it is a party.
6. **TERM AND TERMINATION**

This Agreement will come into effect on the Effective Date and will continue until the occurrence of the earliest of:

1. the Parties agreeing in writing to terminate it; or
2. the Exploration License is awarded to a party other than the Consortium**.**
3. **[INSERT OTHER PROVISIONS]**
4. **GOVERNING LAW AND DISPUTE RESOLUTION**
   1. This Agreement shall be governed by the laws of the Kingdom of Saudi Arabia.
   2. The courts of the Kingdom of Saudi Arabia will have [exclusive] jurisdiction in relation to any dispute arising in connection with this Agreement and its interpretation.
5. **GENERAL**
   1. **Confidentiality.** The Parties agree to maintain confidentiality and refrain from making public announcements or engaging with third parties in connection with this Agreement and their participation in the Licensing Round, except as required by law or mutually agreed.
   2. **Entire Agreement.** This Agreement supersedes any prior agreements, undertakings or representations, whether written or oral, between the Parties regarding the subject matter hereof.
   3. **Amendments.** Any amendment or modification to this Agreement must be in writing and signed by all Parties.
   4. **Severability.** If any provision is found to be invalid or unenforceable, the remainder of this Agreement shall continue in effect.
   5. **Hold Harmless.** Each Party agrees to hold the other Party harmless from any claims, losses, or damages arising out of or related to the actions or negligence of the indemnifying Party in connection with this Agreement.
   6. **Assignment.** No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party.
   7. **Notices.** All notices required under this Agreement shall be in writing and delivered to the respective addresses provided by each Party. The Parties agree that correspondences and notices are valid and of legal effect if delivered to the following address:
6. [Company A]

For attention of: [insert]

Address: [insert]

Email: [insert]

1. [Company B]

For attention of: [insert]

Address: [insert]

Email: [insert]

* 1. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when executed, shall constitute a duplicate original, but all the counterparts together shall constitute one agreement.
  2. **Waiver.** No delay, indulgence or omission in exercising any right, power or remedy provided by this Agreement or by law will operate to impar or be construed as a waiver of such right, power or remedy or of any other right, power or remedy. No single or partial exercise or non-exercise of any right, power or remedy provided by this Agreement or by law will preclude any other or further exercise of such right, power or remedy or of any other right, power or remedy.
  3. **Costs.** Unless otherwise provided, all costs in connection with the negotiation, preparation, execution and performance of this Agreement, will be borne by the Party that incurred the cost.
  4. **Binding Effect of Agreement on Successors and Assigns.** This Agreement shall be binding upon and insure to the benefit of the Parties and their respective legal successors, representatives, heirs, and assigns. Each Party agrees that any successor, representative, or assignee shall be fully bound by the terms and conditions of this Agreement as if they were original signatories.

**EXECUTED AS AN AGREEMENT**

|  |
| --- |
| **BY AND ON BEHALF OF [COMPANY A]**  **DATE:**  **NAME:**  **POSITION:**  **SIGNATURE:** |

**BY AND ON BEHALF OF [COMPANY B]**

**DATE:**

**NAME:**

**POSITION:**

**SIGNATURE:**