AU-CPptn01

Partnership agreement

Dated: [date]

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This agreement is dated: [date]

It is made between [name]

Of [address]

And [name]

Of [address]

And [name]

Of [address]

And [name]

Of [address]

It is now agreed as follows:

1. Definitions

In this agreement, the following words shall have the following meanings, "Accountants" means [name and address] or such other firm ■ ■ ■ "Accounting Date" means [date] each year. "Accounting Year" means the year beginning on 1st [month], the "Confidential means all information about each Partner and the Information" Partnership Business, including any information which may give a commercially competitive $\blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare$

- personal information about each Partner, his family
 Image: I
- information about employees, their performance and

■ ,

	 data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer , , , , , , , , , , , , , , , , , ,
	It does not include information that it is reasonably necessary to disclose to a customer or other person in the usual course ••••••••••••••••••••••••••••••••••••
"Continuing Partners"	means the Partners who continue to be members of the
"Intellectual Property"	means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of kinds coming into existence after today; and including, among others, patents, trade marks, unregistered marks, designs, copyrights, software, domain names, discoveries, the Know-
"Know-how"	means scientific or technical information, and other procedures and ways of working and organising .
"Managing Partner"	means one or more persons who shall be responsible for the day •••••••••••••••••••••••••••••••••••
"New IP"	means Intellectual Property written or discovered

while ever = = = = = = = = = = = "Outgoing Partner" "Partner" means a Partner to this agreement and any other person who is **E E E E E E E E E E E E** -------"Partnership" means the Partners, in business, as ■ ■ ■ ■ ■ ■ "Partnership means any business operated by the Partnership now Business" -------------"Succession Date" means a date on which an Outgoing Partner ceases, -----------

2. Interpretation

2.6.

In this agreement unless the context otherwise requires:

2.1. a reference to one gender shall include any or all genders and a 2.2. a reference to a person includes a human individual, a corporate entity and any organisation 2.3. a reference to a person includes reference to that person's successors, 2.4. the headings to the paragraphs and schedules (if any) to this 2.5. a reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information, ■ ■ ■ ------

words " = = = " = = = " = = = " = = = .

the words "without limitation" shall be deemed to follow any use of the

	2.7.	a reference to an act or regulation includes new law of substantially the same \blacksquare
	2.8.	this agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or
3.	Enti	re agreement
	3.1.	This agreement contains the entire agreement between the parties and supersedes all
	3.2.	Each Partner acknowledges that, in entering into this agreement, he does not rely on any representation, warranty, information
4.	Firm	name and business
	4.1.	The Partnership
		[insert name]
	4.2.	The Partnership • • • • • • • • • • [• • • • • • • •
	4.3.	The principal = = = = = = = = = = = = = = = = = = =
	4.3.	The principal • • • • • • • • • • • • • • • • • • •
5.		
5.		■ ■ : [insert full address]
5.	Part	insert full address] nership shares Each Partner shall contribute capital to
5.	Part	[insert full address] nership shares

AND/OR 5.2. If the Partnership Business shall make a profit before tax ■ ■ ■ ■ ■ ■ **.......** [000 , 000], **.....** -------[name] [name] [name] All the excess shall = = = = = = = = [= = = = = = =], $[\blacksquare \blacksquare \blacksquare \blacksquare].$ Partnership capital 6. The capital of the Partnership 6.2. [Each of the Partners shall be entitled to interest at the rate of [5] % ■ 6.3. ------**Profits and drawings** 7. The profits or losses of the Partnership 7.2. Each Partner is entitled to

[name]

. %

	7.3.	Each Partner shall be entitled to draw out of the Partnership Business each month, on account
	7.4.	[If a Partner is absent through illness or injury for more than [• • •]
	7.5.	If in an Accounting Year a Partner
8.	Part	nership property
	8.1.	All the assets used in the Partnership Business are
	8.2.	The business premises of the Partnership are held by the Partners as Partnership property. The cost
9.	Loa	ns to the Partnership
	9.1.	If a Partner, with the consent of the other Partners, lends a sum of money to the Partnership in excess ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
		, , , , , , , , , , , , , , , , , , ,

	9.3.	A loan must be repaid, together with accrued $\blacksquare \blacksquare \blacksquare$
10.	Ban	king arrangements
	10.1.	The bankers • • • • • • • • • • • • • • [• • • •
	10.2.	All Partnership money shall
	10.3.	Partnership cheques shall •••••••••••••••••••••••••••••••••••
11.	Rec	ords and accounts
	11.1.	Proper books of account shall be kept
	11.2.	As soon as practicable after each Accounting Date, a balance sheet and profit and loss account shall be prepared. The
	11.3.	Each Partner shall be entitled to draw out of
12.	App	ointment and removal of Managing Partner
	12.1.	The Partnership shall have one Managing Partner.
	12.2.	Each Partner may be a * * * * * * * * * * * * * * * * * *
	12.3.	A new Managing Partner

	12.4.	The Managing Partner shall be appointed for [
	12.5.	The voting method and management shall be decided • • • • • • • • • • • • • • • • • •
		12.5.1 the Managing Partner shall be appointed • • • • • • • • • • • • • • • • • • •
		12.5.2 the Partners • • • • • • • • • • • • • • • • • • •
		12.5.3 if there are more than two candidates,
		12.5.4 that procedure will continue until there are only two
	12.6.	The Managing Partner may be removed by a vote to that effect at
13.	Duti	es of the Managing Partner
	13.1.	The principle • • • • • • • • • • • • • • • • • • •
	13.2.	[list duties] The Managing Partner
	13.3.	The following arrangements shall apply to the share of profit I I I I I I I I I I I I I I I I I I

[Set out special ■ ■ ■ . ■ ■	,
	1.

14.	Meetings	and	votina

14.1.	A gene ■]■■	ral meeting of the Partners shall	
14.2.	The Ma	■ ■ . anaging Partner shall prepare a notice of ■ ■ ■ ■ ■ ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
14.3.		rtners shall open the proceedings at each meeting by voting for all be chairman of	
	••••		
	••••		
OR			
	The chairman • • • • • • • • • • • • • • • • • [• • • •].		
14.5.	5. The following matters		
	14.5.1	changing the	
	14.5.2	winding-up the Partnership.	
	14.5.3	the sale, merger,	
	14.5.4	increasing the total borrowing of \blacksquare	
	14.5.5	requiring all partners to introduce more money into the Partnership, [except that if any one	

	14.5.7 amending this agreement.
14.6.	The following matters shall be decided $\blacksquare \blacksquare \blacksquare$
	14.6.1 [enter such matters as you require].
	14.6.2 [more matters].
14.7.	The following matters shall be *** ***
	[You cannot possibly list all • • • • • • • • • • • • • • • • • •
14.8.	A Partner may appoint another Partner as his proxy to vote on his
14.9.	The quorum for a meeting shall be at least [• • • •] • • • • • • • • • • • • • •
14.10	. Minutes of all meetings of Partners shall
	•••••••••
Holi	days
	Partner shall be entitled (in addition to public holidays) ■ ■ ■ ■ ■ ■ ■
•••	
•••	
Abs	ence
	ny Accounting Year, a Partner is absent from Partnership Business as a of illness or
■)■□	

1	7	Ca	rs
		- Ou	-

19.

All ca	rs requir	ed for the purposes of the Partnership Business shall be ■ ■ ■
	••••	
Insu	ırance	•
All bu	ildings, r	machinery, office equipment and other assets of
		••••
Part	nersh	ip policies
19.1.	The Pa	rtnership
	. :	
	19.1.1	health and safety policy;
	19.1.2	equal opportunities and non-harassment policy;
	19.1.3	computer use, Internet and communications policy;
	19.1.4	Partnership vehicles policy;
	19.1.5	data protection policy.
19.2.		as any of these policies imposes an expectation of behaviour
	on a Pa	artner = = = = = = = = = = = = = = = = = = =

........................

19.3. Each Partner accepts the importance for the Partnership in maintaining

............

20. Good faith

Each Partner shall at all times: 20.1. devote his whole time and attention to the business \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare ------.............. 20.4. The Partners shall at all **ARRED EXECUTE** 21. Existing Intellectual Property If any Partner (the "IP Partner") owns Intellectual • • • • (" • • • • ") • • • • 21.1. The Partnership and the Managing Partner 21.2. In the absence of any other documented licence agreement between the Partnership and the IP Partner, ------............. 21.4. If, in the course of business, the Partnership has permitted any client or customer to use any PIP which may have become incorporated ■ ■ ■ ------

21.5.	5. In the circumstances of	
	21.5.1	Schedule [1] of • • • • • • • • • • • • • • • • • •
	21.5.2	nothing in this agreement shall prevent an IP Partner
	21.5.3	nothing in this agreement shall prevent a • • • • • • • • • • • • • • • • • •
New	IP	
22.1.	Busines	artner understands that whilst associated with the Partnership ss, he may discover
	22.1.1	do his utmost to ••••••;
	22.1.2	inform the Partnership • • • • • • • • • • • • • • • • • • •
	22.1.3	provide to the Partnership whatever full code, passwords, specification,
22.2.	To mak	e this effective each Partner now undertakes to do whatever is
22.3.	Busines	ectual Property owned by a Partner and used in the Partnership ss with his permission, is incorporated

22.4.	This paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph does not apply to Intellectual Property created In this paragraph In this paragraph does not apply to Intellectual Property created In this paragraph In this paragraph does not apply to Intellectual Property created In this paragraph In this paragra
Ass	ets introduced by a Partner
23.1.	This paragraph does not apply to Intellectual Property.
23.2.	The assets listed under the
23.3.	This paragraph applies to those assets and also
23.4.	Unless a clear intention of gift • • • • • • • • • • • • • • • • • • •
23.5.	Each Partner, who has permitted his assets of any description ■ ■ ■
	23.5.1 is limited to use in the Partnership Business;
	23.5.2 prohibits reproduction • • • • • • • • • • • • • • • • • • •
	23.5.3 shall terminate at any
Con	fidential Information
24.1.	Each Partner is aware that, as a result of this agreement, he will have access to and be entrusted with Confidential Information of each ■ ■

	24.1.1 except as provided in this •••, ••••;
	24.1.2 not use the Confidential Information in any way for himself
	;
	24.1.3 not store, copy, or use the Confidential
	24.1.4 use his best endeavours
24.2.	The financial terms
24.3.	The provisions of this paragraph shall • • • • • • • • • • • • • • • • • •
24.4.	The provisions of this paragraph apply to any act or
24.5.	Each Partner now undertakes that he will not divulge to any person whatever or
Con	fidentiality of personal information
25.1.	In this paragraph, "Damage" means both economic loss, loss of ■ ■ ■
25.2.	Each of the parties

	25.2.2 post any text, nor image, nor audio, nor audio, nor audio, nor audio
25.3.	The parties agree that any Damage arising directly or
	•••
25.4.	Each Partner accepts personal responsibility • • • • • • • • • • • • • • • • • • •
25.5.	No matter how this contract ends, ••••••••••••••••••••••••••••••••••••
Sec	urity of Know-how
	urity of Know-how Each Partner agrees:
	Each Partner agrees: 26.1.1 to prevent disclosure of the Know-how or other (
	Each Partner agrees: 26.1.1 to prevent disclosure of the Know-how or other

25.2.1 divulge to any person whatever or otherwise make use of \blacksquare \blacksquare

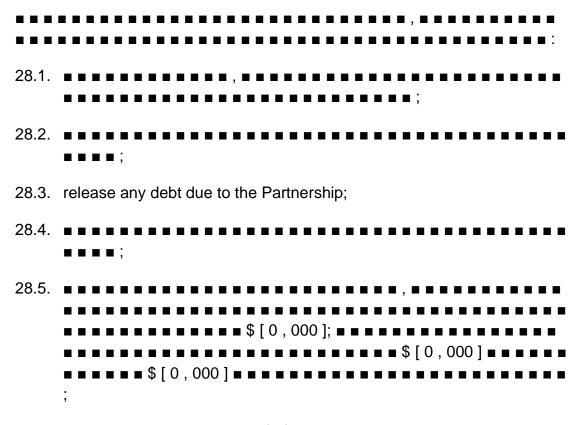
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	26.1.6					••••	••••	••••	•••
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	26.1.7	■,■■							••
26.2.									
26.3	••••	••••		••••	••••	••••	••••		
20.5.									
26.4.									

27. No competition

27.1.		 		 -	. '	' .	 	 _ "	_	 		 	[
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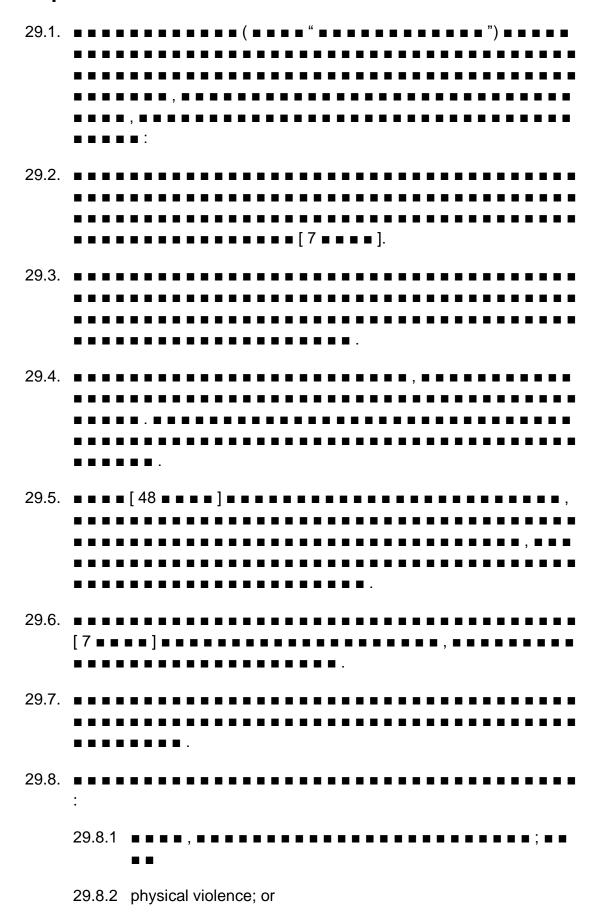
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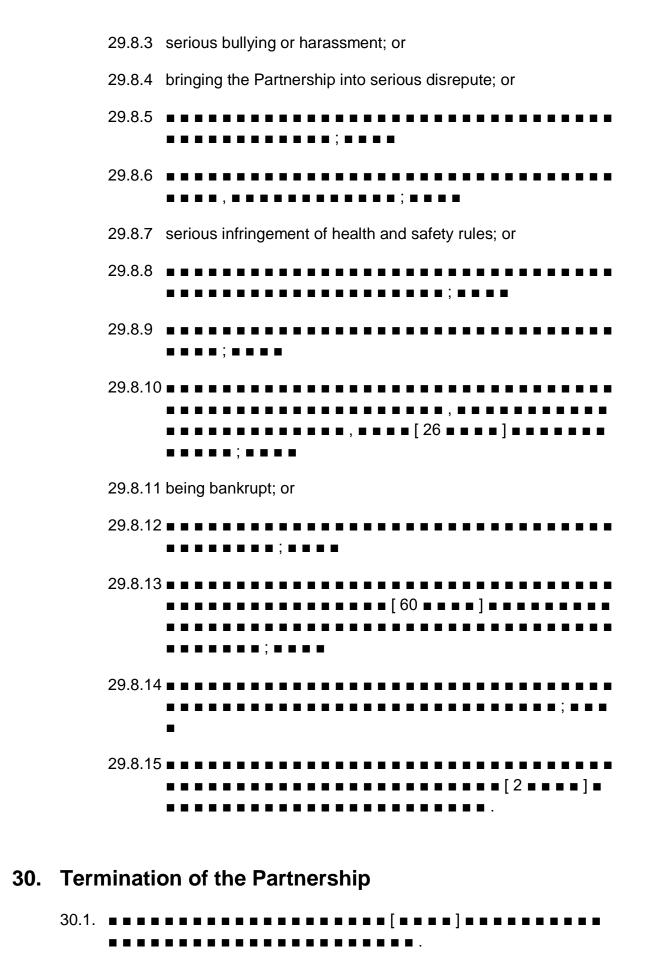
28. Restrictions on Partners



28.6. give any guarantee on behalf of the Partnership.

29. Expulsion



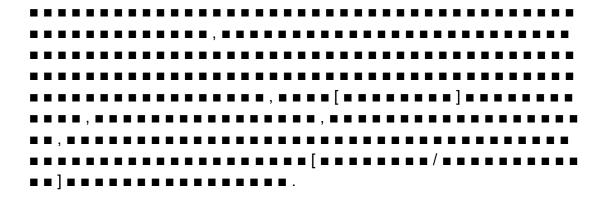


30.2.	
	30.2.1
	30.2.2
20.2	
30.3.	[3]
30.4.	
30.5.	
30.6.	
	30.6.1 any unpaid profits which are due to him;
	30.6.2 his share of the Partnership capital;
	30.6.3
	,
00.7	
30.7.	
Afte	r termination
•••	
•••	

	31.1.
	31.2.
	31.3.
	31.4.
	31.5.
32.	Indemnity for Partnership
	32.1. a breach of this agreement by that Partner;
	32.2.
	32.3.
	32.4.
33.	Publicity / Announcements
	33.1.

OR		
33.2.	No Par	tner shall:
	33.2.1	make any public announcement; or
	33.2.2	disclose any information; or
	33.2.3	
•••	• • • •	
33.3.		.,
33.4.		

34. Damages not adequate



35. Counterparts

_			 _	_	_	_		_	 _	_	_	_	_	_	_	_	_	_					_	_	_	_	_				_
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36. Miscellaneous matters

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36.2.		 •	•			= 1	■ ,		• •		•																
36.3.		 			•	•		•	•	•																	
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36.4.	::																										
36.5.	••	 																									
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36.6.	•••	 •••		••		•	• •		•	-		•	-	•	•		• •		•	•	•	•	•		•	•	
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36.7.	••																										
36.8.																											
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36.9.	::																										

36.10.
It shall be deemed to have been delivered:
••••72••••••;
24
• • • •].
36.11.
36.12.
36.13.
•••••••
36.14.
36.12. 36.13.

Signed by [name]: Signature:

Signed by [name]:	Signature:
Signed by [name]:	Signature:
Signed by [name]:	Signature:



Schedule 3: Additional provisions applying when a Partner leaves

1.	Acco	ounts to	be prepa	ared								
					 ■ ■ , ■							
				•					ı ■ ") ■			ı
2.	Valu	ation of	property	′								
			••••							■ , ■ ■		
			, = = = = = =). = 1									
	• • •			• • • •	 						••••	
3.	Valu	e of wor	k-in-pro	gress								
			:					. – – –		• • •	• • • •	
	•••				• • • •	, • • •			• • • •	•••	•••	
4.	Outg	joing Pa	rtner's u	ndrawr	n profit	s and o	capital					
	4.1.											
		•			-	•						
		4.1.1.										
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		4.1.2.										
			-									

		4.1.3.									
	4.2.							 			
	4.3.	::::			■ ■ ■ I			 			• •
	4.4.	[3 • •],	••••		• • • •	 ,	 •••	•••	•••	
	4.5.	::::					••••	 ••••		• • •	••
5.	Dobá	■;■■:						 		• • •	
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6.		ı∎∎≡; ıal tax inc	lemnity								
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	6.1.							• • •	• • •	• • •	

	6.2.
	6.3.
7.	Books of account and other documents
	[18]
8.	Power to get in assets and further assurance
9.	Restriction
	[24 =] = = = = = = = :
	9.1.
	;

		• • • • • • • • •	 [10 	
9.3.				
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Schedule 4: Press release

Explanatory notes

Partnership agreement

0		
Gen	leral	notes:

Every State of Australia has its own legislation regarding partnership. You can https://www.business.gov.au/planning/business-structures-and-types/businessstructures/partnership Paragraph specific notes: Notes numbering refers to paragraph numbers. 1. **Definitions** The purpose of the definitions in this document is largely to restrict broad terms to specific, \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare \blacksquare . You can either define the partnership business precisely, or leave this very broad definition. We advise the broad definition specifically to prevent a partner from avoiding compliance with the agreement with the excuse that "What I did does not conflict with the partnership business." It also 2. Interpretation Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose. 3. **Entire agreement** This paragraph prevents a party from later saying he was relying on some 4. Firm name and business

This information is obvious and may change. But it is a good idea to include it

5. Partnership shares

6.

7.

8.

9.

10.

11.

12.

This provision is one of the most important in the agreement. We have included a very simple and common approach. However, you can use any formula based on contributions, sales, work done, hours worked, fixed salary, **Partnership Capital** You may decide on some other arrangement here, but this simple proposal is **Profits and Drawings** We advise strict rules here. If a partner over-draws he is effectively borrowing money from the others. It may be possible for him to do this without the authority of Partnership property If the partnership has property, it is important to consider tax implications of ownership. However, an owner may charge a rent. An owner will real the advantage of any inflationary value increase. Loans to the Partnership Basic, sensible provisions. Edit if **E E E E E E**. **Banking arrangements** Bank arrangements may as simple or complicated as you wish. This is an Records and accounts This is standard accounting procedure. If you need to edit it, **Appointment and removal of Managing Partner** This paragraph provides a framework within which you can decide what you

13. Duties of the Managing Partner

.

We have provided menu of items which are designed • • • • • • • • • • • • • • • • • • •
It is certain that partners will not see each other's roles in the same light. You may wish to set out
Edit freely.
Meetings and voting
Few partnerships set up a procedure for decision making. We believe it is a very important part for the glue that holds a partnership together. Every partner must feel "safe" insofar as his rights are concerned. Management procedures should therefore be fair and
Holidays
It may seem petty to include this and •••••••••••••••••••••••••••••••••••
We do so because our experience is that these are common areas of conflict. Quite innocent assumptions may be misinterpreted and fluid rules stretched beyond breaking point.
There is no legal requirement for the
Absence
Same note applies as to last previous paragraph.
Cars
Same note applies as to last previous paragraph.

15.

16.

17.

18.

Insurance

© Andrew Taylor and Net Lawman Ltd

from failing to protect the partnership

This is another area where a simple rule prevents an over-optimistic partner

19.	Partnership policies
	Whatever policies are maintained must be observed by every ■ ■ ■ . ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■
20.	Good faith
	There is a fundamental common law duty of good faith in a partnership situation. That means no partner may prefer his own immediate financial interest to
21.	Existing Intellectual Property
	When a partnership is first formed, it is usual, rather than exceptional, for it to use intellectual property owned by one of more of partners. That may be to exploit a • • • , • • • • • , • • • • • • • • •
	■.
	As new partners are brought in (and this agreement is required) IP ownership is lost or ignored. At some stage, either the IP owner, or some other
	This paragraph provides a route through the maze. It is entirely optional and
	can = = = = = = = = = = = = = = = = = = =
22.	New IP
	The scope and potential value of intellectual property is very wide. It is also difficult to track. The provisions in this agreement are therefore thorough. As long as we do not know today what intellectual property

23. Assets introduced by a Partner

	business. It might be a picture to hang on the office wall, or an old desk, or some graphic design or software. Later,
	This paragraph grants a formal licence to the
24.	Confidential Information
	We suggest you start first with the definition of confidential information,
25.	Confidentiality of personal information
	Personal information is included and the provisions are strict. The reason is
26.	Security of Know-how
	You will know whether the work you
27.	No competition
	This provision maintains the value of the partnership assets , , , , , , , , , , , , , , , , , ,
28.	Restrictions on Partners
	This is a menu of fundamental structural "■■■■ "■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■■

29.	Expulsion
	Sadly, and despite this agreement, a partner will step out of line. It is very important that the
30.	Termination of the Partnership
	Clear and • • • • • • • • • • • • • • • • • • •
31.	After termination
	More common sense
32.	Indemnity for Partnership
	A basic essential indemnity
33.	Publicity / Announcements
	You may wish to agree the words of
34.	Damages not adequate
	A judge will usually try to award money damages as
25	Counterparts
35.	Counterparts This paragraph was the required if your partners
	This paragraph may be required if your partners ••••••••••••••••••••••••••••••••••••

36.

Miscellaneous matters

	A number of special points. We have identified each of these as
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	•
Sched	dule 3: Additional provisions applying when a Partner leaves
	This schedule is effectively an agreement for a civilised dissolution of your
	partnership,
	The main problem on dissolution of a partnership is that the Partnership Act
	sets out a simple requirement in the absence of your agreement to
	Most of these provisions reflect a common sense view of the framework
	provided

End of notes

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