

IN-CPptn01

Partnership agreement

Dated: [date]

Contents

1. Definitions
2. Interpretation
3. Entire agreement
4. Firm name and business
5. Partnership shares
6. Partnership capital
7. Profits and drawings
8. Partnership property
9. Loans to the Partnership
10. Banking arrangements
11. Records and accounts
12. The Managing Partner
13. Meetings and voting
14. Holidays
15. Absence
16. Cars
17. Insurance
18. Partnership policies
19. Good faith
20. Intellectual Property
21. New IP
22. Intellectual Property: Derived Products
23. Confidential Information
24. Confidentiality of personal information
25. Security of Know-how
26. No competition
27. Restrictions on partners
28. Expulsion
29. Termination of the Partnership
30. After termination
31. Indemnity for Partnership
32. Publicity / Announcements
33. Damages not adequate
34. Counterparts
35. Miscellaneous matters

The schedule: Additional provisions applying

This agreement is dated: [date]

It is made between

[name] of [address] (“name”)

and

[name] of [address] (“name”)

and

[name] of [address] (“name”)

and

[name] of [address] (“name”)

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 Period” means the period of [12 months] to which the Partnership

“Confidential Information” means all information about each Partner and the Partnership Business, including any information which may give a commercially competitive

personal information about each Partner, his family ;

information about employees, their performance and ,

data or information relating to suppliers, product

plans, marketing strategies, finance, performance, operations, customer , ;

information about the Intellectual Property, the Know-how and all ;

information created or arising from this agreement;

information owned by a third party and in respect of which the Partnership

information, comment or implication published on

data or information relating to pre-clinical and clinical trial results, processes, formulae, procedures, designs, drawings, apparatus,

information about the Intellectual Property and

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

“Derived Product”

means a software product or text or other material in any medium which is based on or originated, wholly ,

“DP Rights”

mean rights in a Derived Product.

"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
“New IP”	means Intellectual Property written or discovered while ever
“Outgoing Partner”	means a Partner who ceases to be a member of
“Partner”	means a Partner to this agreement and any other person who is
“Partnership”	means the Partners, in business, as
“Partnership Business”	means any business operated by the Partnership now
“Succession Date”	means a date on which an Outgoing Partner ceases, or is deemed under this

2. Interpretation

This agreement shall be interpreted as

- 2.1. A reference to one gender shall include any or all genders and a reference to the singular may be interpreted
- 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 agreement are inserted
- 2.5. A reference to the knowledge, information, belief or awareness of any person shall be deemed to include the knowledge, information,
- 2.6. The words "without limitation" shall be deemed to follow any use of the words " " " "
- 2.7. A reference to an act or regulation includes new law of substantially the same

3. Entire 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 Business shall be carried :
[insert]
- 4.2. The Partnership Business shall be [].
- 4.3. The principal place of business of :
[insert]

5. Partnership shares

- 5.1. Each Partner shall contribute capital to

[name]	xx%
[name]	yy%
[name]	zz%

AND/OR

5.2. If the Partnership business shall make a profit before tax
[000 , 000],

:

The first Rs [000]

The next Rs [000]

:

[name] [provisions / proportions]

[name] [provisions / proportions]

[name] [provisions / proportions]

All the excess shall [],
[].

6. Partnership capital

6.1. The capital of the Partnership

.

6.2. Undrawn profit shall not

.

6.3. [Each of the Partners shall be entitled to interest at the rate of 5 %

].

7. Profits and drawings

- 7.1. The profits or losses of the Partnership
- 7.2. Each partner is entitled to
- 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 [
- 7.5. If in a Financial Year a Partner

8. Partnership 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. Loans 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

[5] %

9.2. The sum loaned shall not be deemed to be

9.3. A loan must be repaid, together with accrued
[6]

10. Banking arrangements

10.1. The bankers of []

10.2. All Partnership money shall

10.3. Partnership cheques

11. Records 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. The Managing Partner

12.1. The Partners shall appoint
“ ”

- 12.2. The Managing Partner shall
- 12.3. The Managing Partner shall be appointed for [] ,
- 12.4. The voting method and management shall be
- :
- 12.4.1 The Managing Partner shall be appointed
- 12.4.2 The Partners
- 12.4.3 If there are more than two candidates,
- 12.4.4 that procedure will continue until there are only two
- 12.5. The principle :
- [list duties]*
- 12.6. The Managing Partner
- 12.7. The following arrangements shall apply to the share of profit
- [Set out special*
-]

13. Meetings and voting

- 13.1. A general meeting of the Partners shall []
-]

13.2. The Managing Partner shall prepare a notice of [] ,

13.3. The Partners shall open the proceedings at each meeting by voting for who shall be chairman of

OR

13.4. The chairman []

13.5. The following matters

:

13.5.1 changing the

13.5.2 winding-up the Partnership.

13.5.3 the sale, merger,

13.5.4 increasing the total borrowing of [00 , 000].

13.5.5 requiring all partners to introduce more money into the Partnership, [except that if any one

].

13.5.6 expelling a Partner.

13.5.7 amending this agreement.

13.6. The following matters shall be decided [75] %
[]:

13.6.1 [enter such matters as you require]

13.6.2 [more matters]

13.7. The following matters shall be []:

[You cannot possibly list all

]

13.8. A Partner may appoint another Partner as his proxy to vote on his

[/] [/]

13.9. The quorum for a meeting shall be at least []
[60] %

13.10. Minutes of all meetings of Partners shall

14. Holidays

Each Partner shall be entitled (in addition to public holidays)
[5]

15. Absence

If, in any Accounting Period, a Partner is absent from Partnership Business as
a result of illness or [56]

,
(
)

16. Cars

All cars required for the purposes of the Partnership Business shall be

, , ,

17. Insurance

All buildings, machinery, office equipment and other assets of

18. Partnership policies

18.1. The Partnership , :

18.1.1 health and safety policy;

18.1.2 equal opportunities and non-harassment policy;

18.1.3 computer use, Internet and communications policy;

18.1.4 Partnership vehicles policy;

18.1.5 data protection policy.

18.2. Insofar as any of these policies imposes an expectation of behaviour on a Partner ,

18.3. Each Partner accepts the importance for the Partnership in maintaining and enforcing fully up- -

19. Good faith

Each Partner shall at all times:

19.1. devote his whole time and attention to the business ;

19.2. conduct himself ;

19.3. use his .

19.4. The Partners shall at all
[]

20. Intellectual Property

20.1. The ownership of Intellectual Property existing at the date

20.2. Each Partner acknowledges that Intellectual Property

:

20.2.1 watch out for any infringement of the

20.2.2 take such reasonable action as the Partnership

;

20.2.3 not use in any capacity outside of the Partnership ,

20.3. The parties shall at their joint expense

20.4. Each Partner's obligations set

21. New IP

21.1. New IP shall belong to the Partnership.

21.2. Whenever any Partner creates any New

:

21.2.1 provide to the Partnership whatever , ,

;

21.2.2 hold any right or benefit in

;

21.2.3 do his utmost to ensure

21.3. Each of the Partners agrees to maintain written records of all

21.4. Each of the Partners

21.5. Each of the Partners agrees to help the Partnership, both while it subsists

22. Intellectual Property: Derived Products

22.1. When a Partner creates

22.2. Each Partner now agrees that he will:

22.2.1 do his utmost to

;

22.2.2 tell the Partnership

;

22.2.3 provide to the Partnership whatever full specification description

;

22.2.4 do whatever the Partnership considers to be necessary or desirable

23. Confidential Information

23.1. Each Partner is aware that, as a result of this agreement, he will have access to and be entrusted with Confidential Information of

23.1.1 except as provided in this

23.1.2 not use the Confidential Information in any way for himself

23.1.3 not store, copy, or use the Confidential

[. . .]

23.1.4 use his best endeavours

23.2. The financial terms

23.3. The provisions of this paragraph shall

[5]

23.4. The provisions of this paragraph apply to any act

23.5. Each Partner now undertakes that he will not divulge to any Person whatever or

)

24. Confidentiality of personal information

24.1. In this paragraph, "Damage" means both economic loss, loss of

" , ,
 , .

24.2. Each of the parties

:

24.2.1 divulge to any person whatever or otherwise make use of

,
;

24.2.2 post any text, nor image, nor audio-

,

,
.

24.3. The parties agree that any Damage arising directly or

.

24.4. Each Partner accepts personal responsibility

.

24.5. No matter how this contract ends,

[]

.

25. Security of Know-how

25.1. Each Partner agrees:

25.1.1

-
()

;

25.1.2

- .

25.1.3

-
;

25.1.4

-
;

25.1.5

-
;

25.1.6

) (

;

25.1.7

, ,

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25.2.

-

.

25.3.

-

.

25.4.

-

.

26. No competition

26.1.

], " " [, , .

26.2.

] , [,

26.3.

26.4.

26.5.

27. Restrictions on partners

27.1.

27.2.

27.3. release any debt due to the Partnership;

27.4.

27.5.

[0 , 000];

[0 , 000]

[0 , 000]

27.6. give any guarantee on behalf of the Partnership.

28. Expulsion

28.1. (“ ”)

,
,
:

28.2.

[7].

28.3.

28.4.

28.5. [48]

28.6.

[7]

28.7.

28.8.

28.8.1 , ;

28.8.2 physical violence; or

28.8.3 serious bullying or harassment; or

28.8.4 bringing the Partnership into serious disrepute; or

28.8.5

;

28.8.6

,

;

28.8.7 serious infringement of health and safety rules; or

28.8.8

;

28.8.9

;

28.8.10

;

, [26]

28.8.11 being bankrupt; or

28.8.12

;

28.8.13

60

;

28.8.14

;

28.8.15

[2]

29. Termination of the Partnership

29.1. []

29.2.

:

29.2.1 ;

29.2.2 ;

29.2.3 the provisions of the schedule shall apply.

29.3.

29.4.

29.5.

29.5.1 any unpaid profits which are due to him;

29.5.2 his share of the Partnership capital;

29.5.3 ,

29.6.

30. After termination

30.1.

30.2.

30.3.

;

30.4.

,

;

30.5.

,

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31. Indemnity for Partnership

,

:

31.1. a breach of this agreement by that Partner;

31.2.

;

31.3.

;

31.4.

.

32. Publicity / Announcements

32.1.

.

OR

32.2. No Partner shall:

32.2.1 make any public announcement; or

32.2.2 disclose any information; or

32.2.3

;

32.3. ,

32.4.

2 ,

33. Damages not adequate

,

, []

,

,

,

[/

]

34. Counterparts

,

,

35. Miscellaneous matters

35.1.

35.2.

35.3.

35.4.

35.5.

35.6.

35.7.

35.8.

35.9.

35.10.

It shall be deemed to have been delivered:

:

;

72 ;

-

- : 24

-

.[

- .

,

]

35.11.

,

35.12.

,

35.13.

35.14.

35.15.

,

Signed by [\[name\]](#):

Signature:

Signed by [\[name\]](#):

Signature:

Signed by [name]:

Signature:

Signed by [name]:

Signature:

The schedule: Additional provisions applying when a Partner leaves

1. Accounts to be prepared

‘

(“ ”)

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2. Valuation of property

,

(,) .

,

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3. Value of work-in-progress

- -

,

.

4. Outgoing Partner’s undrawn profits and capital

4.1.

[-] , :

4.1.1

;

4.1.2

;

4.1.3

;

4.2.

,

4.3.

[4 %]

,

4.4.

[3],

,

,

.

4.5.

,

;

5. Debts and liabilities

,

,

,

,

,

,

;

6. Mutual tax indemnity

:

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.

,

,

;

9.2.

10

;

9.3.

;

;

.

Explanatory notes:

Partnership agreement

1. Definitions

The purpose of the definitions in this document is largely to restrict broad terms to specific,

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 other document or what

4. Firm name and business

This information is obvious and may change. But it is a good idea to include it to make clear for all

5. Partnership shares

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,

6. Partnership Capital

You may decide on some other arrangement here, but this simple proposal is

7. 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

8. 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.

9. Loans to the Partnership

Basic, sensible provisions. Edit if

10. Banking arrangements

Bank arrangements may as simple or complicated as you wish. This is an important area for

11. Records and accounts

This is standard accounting procedure. If you need to edit it,

12. The Managing Partner

We have provided menu of items which are designed to provide a framework that

It is certain that partners will not see each other's roles in the same light. You may wish to set out

Edit freely.

13. 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

”

14. Holidays

It may seem petty to include this and the two following provisions in a written agreement. We do so because our experience is that these are common areas of conflict. Quite innocent assumptions may be misinterpreted

“ ”

There is no legal requirement for the

15. Absence

As for holidays, above.

16. Cars

As for holidays, above.

17. Insurance

This is another area where a simple rule prevents an over-optimistic partner from failing to protect the partnership

18. Partnership policies

Whatever policies are maintained must be observed by

19. 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

20. Intellectual Property

Few businesses are not heavily reliant on their intellectual property but few business managers appreciate just how much IP is owned by their business. Of course, IP covers

We have provided far greater protection of the IP rights of the partnership than you might expect. Our argument is that a

However, this agreement has been drawn for a wide variety of businesses. Only you can estimate just what

21. New IP

Similar comments apply as for

22. Intellectual Property: Derived Products

Similar comments apply as for those above, for intellectual property. Whether

23. Confidential Information

We suggest you start first with the definition of confidential information, given in paragraph 1. We have carefully defined confidential information to refer only

24. Confidentiality of personal information

Personal information is included and the provisions are strict. The reason is

25. Security of Know-how

You will know whether the work you

26. No competition

This provision maintains the value of the partnership assets

27. Restrictions on Partners

This is a menu of fundamental structural “ ”

28. Expulsion

Sadly, and despite this agreement, a partner will step out of line. It is very important that the

29. Termination of the Partnership

Clear and

30. After termination

More common sense

31. Indemnity for Partnership

A basic essential indemnity

32. Publicity / Announcements

You may wish to agree the words of

33. Damages not adequate

A judge will usually try to award money damages as

34. Counterparts

This paragraph may be required if your partners

35. Miscellaneous matters

We have identified each of these as important to protect you.

Signatures

This agreement requires no witness to a signature.

The Schedule

This schedule is effectively an agreement for a civilised

End of notes