

IN-CPptn06

Limited liability partnership agreement

Dated: [Date]

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This agreement is dated: [date]

It is made between [name]

of [address] ("Mr/s name")

and [name]

of [address] ("Mr/s name")

and [name]

of [address] ("Mr/s name")

and [name]

of [address] ("Mr/s name")

[If more, they may be .]

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

"Financial Year" 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, know-how and all aspects ;

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.

it does not include information that it is reasonably necessary to disclose to a customer or other person in the usual course

“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, know-

“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

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

[except here list any docs relied on]

4. Partnership business, name and location

4.1. The Partnership is or shall , 2008 .

4.2. The registered place of : []

4.3. *The Business* [];

OR

4.4. *The Partnership has been*

5. Designated partners

In accordance with the requirements of the Limited Liability Partnership Act 2008,

OR

In accordance with the requirements
2008 , :

[name] and

[name]

who shall be jointly responsible for

6. Partnership shares

6.1. Each Partner shall contribute capital to

:

[name] xx%

[name] yy%

[name] zz%

AND/OR

6.2. If the Partnership business shall make a profit before tax

[, 000],

:

The first Rs000

The next

:

[name] [provisions / proportions]

[name] [provisions / proportions]

[name] [provisions / proportions]

All the excess shall [,],
[].

7. Partnership capital

- 7.1. The capital of the Partnership
- 7.2. Undrawn profit shall not
- 7.3. [Each of the Partners shall be entitled to interest at the rate of 5%
].

8. Profits and drawings

- 8.1. The profits or losses of the Partnership
- 8.2. Each partner is entitled to
- 8.3. Each Partner shall be entitled to draw out of the Partnership business each month, on account
- 8.4. [If a Partner is absent through illness or injury for more
].
- 8.5. If in a Financial Year a Partner

9. Partnership property

- 9.1. All the assets

9.2. The business premises of the Partnership are owned by the Partnership. The cost of all , , ,

10. Loans to the Partnership

10.1. If a Partner, with the consent of the other Partners, lends a sum of money to the Partnership in excess of

, [5] %

10.2. The sum loaned shall not be deemed to be

10.3. A loan must be repaid, together with
6

11. Banking arrangements

11.1. The bankers of []

11.2. All Partnership money shall

11.3. Partnership cheques

12. Records and accounts

12.1. As soon as practicable after the end ,

12.2. Each of the Partners shall sign the profit and loss account and balance

12.3. Each Partner shall be entitled to draw out of

13. The Managing Partner

13.1. The Partners shall appoint

“ ”

13.2. The Managing Partner shall

13.3. The Managing Partner shall be appointed for [] ,

13.4. The voting method and management shall be

:

13.4.1 The Managing Partner shall be appointed

13.4.2 The Partners

13.4.3 If there are more than two candidates,

13.4.4 that procedure will continue until there are only two

13.5. The principle :

[list duties]

13.6. The Managing Partner

13.7. The following arrangements shall apply to the share of profit

[set out special

]

14. Meetings and voting

14.1. A general meeting of the Partners shall

]

14.2. The Managing Partner shall prepare a notice of

[]

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

14.4. The chairman

[].

OR

14.5. 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

[, 000].

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

.]

14.5.6 expelling a Partner.

14.5.7 amending this agreement.

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

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 []
[60] %

14.10. Minutes of all meetings of Partners shall

15. Holidays

In addition to public holidays, each Partner shall be entitled to []
[]

16. Partnership policies

16.1. The Partnership

:

health and safety policy

equal opportunities and non-harassment policy

computer use, Internet and communications policy

partnership vehicles policy

data protection policy

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

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

17. Good faith

Each Partner shall at all times:

17.1. devote his whole time and attention to

;

17.2. conduct himself

;

17.3. use his

18. Restrictions on partners

Except in the normal course of

:

- 18.1. at any time,
;
- 18.2. offer employment
;
- 18.3. release any debt due to the Partnership;
- 18.4. lend money
;
- 18.5. buy or contract for any goods, services or property on behalf of the Partnership involving a total commitment
[0 , 000];
[0 , 000] [0 , 000]
[0 , 000] ;
- 18.6. give any guarantee on behalf of the Partnership.

19. Intellectual Property

19.1. The ownership of Intellectual Property existing at the date

19.2. Each Partner acknowledges that Intellectual Property

:

19.2.1 watch out for any infringement of the

19.2.2 not use in any capacity

19.3. The Partners shall protect their Intellectual

20. New IP

20.1. New IP shall belong to the Partnership.

20.2.

20.2.1

20.2.2

20.2.3

20.3.

20.4.

20.5.

21. Intellectual Property: Derived Products

21.1.

21.2. Each Partner now agrees that he will:

21.2.1

21.2.2

21.2.3

21.2.4

22. Confidential Information

22.1.

22.1.1

22.1.2

22.1.3

[. . .]

22.1.4

22.2.

22.3.

[5]

22.4.

22.5.

()

23. Confidentiality of personal information

23.1.

, “ ” ,
“ ” ,
,

23.2.

:

23.2.1

,
;

23.2.2

, , -
,
.

23.3.

.

23.4.

.

23.5.

[]

24. Partners' work belongs to the Partnership

24.1.

' " .

24.2.

24.3.

,

24.4.

24.5.

,

25. Expulsion

25.1. (")

,

':

25.2.

[7].

25.3.

25.4.

25.5. [48]

25.6.
[7]

25.7.

25.8.

:

25.8.1 , ;

25.8.2 physical violence; or

25.8.3 serious bullying or harassment; or

25.8.4 bringing the Partnership into serious disrepute; or

25.8.5

;

25.8.6

, ;

25.8.7 serious infringement of health and safety rules; or

25.8.8

;

25.8.9

;

25.8.10

, [26]

;

25.8.11 being bankrupt; or

25.8.12

;

25.8.13

60

;

25.8.14

;

25.8.15

[2]

26. Termination of the Partnership

26.1. []

26.2.

26.3.

26.4.

26.4.1 his undrawn profit, if any;

26.4.2 his share of the Partnership capital;

26.4.3 his proportionate share of any balance of money.

26.4.4

27. After termination

27.1.

;

27.2.

;

27.3.

,

;

27.4.

,

.

28. No competition

28.1.

,"

"

[

]

,

,

,

.

28.2.

]

,

,

[

28.3.

28.4.

28.5.

29. Indemnity for Partnership

29.1.

29.1.1 a breach of this agreement by that Partner;

29.1.2

29.1.3

29.1.4

30. Publicity / Announcements

30.1.

OR

30.2. No Partner shall:

30.2.1 make any public announcement; or

30.2.2 disclose any information; or

30.2.3

;

30.3. ,

30.4.

2 ,

31. Damages not adequate

,

, []

,

,

,

[/

]

32. Counterparts

,

,

33. Miscellaneous matters

33.1.

33.2.

33.3.

33.4.

33.5.

33.6.

33.7.

33.8.

33.9.

33.10.

It shall be deemed to have been delivered:

;

72 ;

24 ;

- : 24

.[

]

33.11.

33.12.

33.13.

33.14.

Signed by [name]:

Signature:

Signed by [name]:

Signature:

Signed by [name]:

Signature:

Signed by [name]:

Signature:

Explanatory notes:

Limited liability partnership agreement

General notes

1. Any partnership agreement is what the partners want it to be. There are few rules about what should be written into the agreement. We have therefore provided a very full menu for your choice. It follows that there are many places where
2. This partnership agreement is confidential and does not have to be registered. It provides evidence of its contents, such as profit shares or special provisions on dissolution. These might be more important for a limited liability partnership than they would be for a normal partnership. Your agreement must therefore be accurate and precise. The agreement can also be used to provide written evidence to any third party authority as to your business arrangements. You will have difficulty in persuading the court or the Inland Revenue that

Paragraph Specific notes:

Numbers referring to the paragraphs in the document

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. Partnership business, name and location

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

5. Designated partners

There must be one or more designated partners. Someone must be responsible, that does not mean he/she must do it personally. By

6. Partnership shares

This provision is one of the most important in the agreement. There are several :

- who must contribute what money?
- in what proportions are profits and losses shared?
- do entitlements change when a partner leaves ?
- can a partner be compelled to add capital and what happens when ?
- What can a partner draw each month to live on? ?
- What happens if the partnership hits a rough sea and there is not enough money ?,

This and the following two paragraphs should be edited to give effect to what you have decided on these points. We have included a very simple and common approach. However, you can use any formula based on contributions, sales, work done, hours worked,

7. Partnership capital

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

8. Profits and drawings

We advise strict rules here. If a partner over-draws he is effectively borrowing money from the others. It

9. Partnership property

Business premises do not have to be partnership property. However, an owner may charge a rent. An owner

Frequently one or more of the partners might own business premises in their own name. The property can then be rented to the partnership or the

10. Loans to the Partnership

Basic, sensible provisions.

11. Banking arrangements

Bank arrangements may as simple or complicated as you wish. This

12. Records and accounts

This is standard accounting procedure. If you

13. The Managing Partner

If you do not want or need a managing partner, delete. The most important issues here are the powers of the managing partner and what he gets paid for the additional work. If each

14. 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

15. **Holidays**

It may seem petty to include this in a written agreement. We do so because this is a common area of conflict. Quite innocent assumptions may be misinterpreted and fluid rules stretched

There is no legal requirement for the

16. **Partnership policies**

Whatever policies are maintained must be observed by every

17. **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

18. **Restrictions on Partners**

This is a menu of fundamental structural “rules” to make clear the boundaries of action of any one partner. Edit freely so as

19. **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

20. New IP

Similar comments apply as for those above, for intellectual property. This paragraph has been provided largely for a partnership

21. Intellectual Property: Derived Products

Similar comments apply as for those

22. Confidential Information

We suggest you start first with the definition of confidential information,
1 .

23. Confidentiality of personal information

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

24. Partners' work belongs to the Partnership

The originator of any "work" has a packet of rights. If he does not sell those

“ ”

25. Expulsion

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

We have included a long list of "misbehaviour" against the Partnership, not dissimilar to

26. Termination of the Partnership

Clear and

27. After termination

More common sense provisions to protect the partnership.

28. No competition

This provision maintains the value of the partnership assets

The agreement includes restrictions on future trading. The courts have always bent over backwards to favour any person who claims he is prevented from earning his living. That applies most usually to employment contracts, but the same view

(,),

29. Indemnity for Partnership

A basic essential indemnity

30. Publicity / Announcements

You may wish to agree the words of

31. Damages not adequate

A judge will usually try to award money damages as

32. Counterparts

This paragraph may be required if your partners

33. Miscellaneous matters

A number of special points. We have identified each of these as

These are just as valid in

Signatures

This agreement requires no witness to a signature.

End of notes