**.**

**PARTNERSHIP AGREEMENT**

 **.**

**«SolicitorCoName»**

**«CompanyAdd1»**

**«CompanyAdd2»**

**«CompanyAdd3»**

**«CompanyAdd4»**

**«ourref»**

# AGREEMENT

**THIS AGREEMENT made the day of**

**BETWEEN**

«First\_Party»

Of «FirstPartyadd» of the One Part

**AND**

«SecondParty»

Of «SecondPartyAdd» of the Second Part

**AND**

«ThirdParty»

Of «ThirdPartyAdd» of the Third Part

**AND**

«FourthParty»

Of «FourthPartyAdd» of the Fourth Part

**WHEREAS**:-

The parties hereto agreed to become partners in the business of on the terms of this Deed.

OR

The parties hereto have carried on the business of and shall continue the said business as and from the [ upon the terms and conditions hereinafter appearing.

**NOW THIS DEED WITNESSETH AS FOLLOWS:-**

## 1. DEFINITIONS AND INTERPRETATION

(a) In this Deed the following words and expressions shall (unless the context otherwise requires) have the following respective meanings:-

(i) The “Accounts" means the balance sheet, profit and loss accounts, and partnership accounts prepared in accordance with the provisions of this Deed.

(ii) "Accountants" mean such chartered accountants as are set out in Clause [9(b)] of this Deed, or as the Partners may Resolve.

(iii) "Accounting Date" means the date as at which the most recent accounts have been prepared in accordance with the provisions of this Deed or as may be Resolved by the Partners.

(iv) "Accounting Period" means a twelve month or other period during the subsistence of the Partnership for which accounts of the Partnership have been made up or are to be made up.

(v) "Continuing Partners" means the Partners continuing in the Partnership following a person becoming an Outgoing Partner or a new person joining the Partnership.

(vi) "General Dissolution" means a change in the membership of the Partnership, which results in the winding up of the Partnership.

(vii) "Law Society" means the Law Society of Ireland.

(viii) "Outgoing Partner" means a person who is no longer a Partner, whether caused by death, retirement, expulsion or otherwise and where the context so admits shall include his legal personal representatives or trustee in bankruptcy.

(ix) The “Partners" or a “Partner" means the persons from time to time being partners or one of them in the Partnership and at the date hereof, includes the parties hereto and includes such further or other persons who are from time to time admitted to the Partnership and agree to be bound by this Deed (as amended from time to time) and includes their respective personal representatives or trustees in bankruptcy.

(x) The “Partnership" means the partnership as and from time to time subsisting under the terms of this Deed, as amended from time to time.

(xi) "Resolved" or “Resolution” or any derivative of these terms means a resolution of the Partners passed in accordance with Clause [19].

(xii) "Technical Dissolution" means a change in the membership of the Partnership, which does not result in the winding up of the Partnership.

(b) The clause and paragraph headings shall not form part of or affect the interpretation or construction of this Deed.

(c) Each covenant or agreement given or made by a party hereto shall be deemed to have been given or made by him with the other parties jointly and severally and with each of them separately.

(d) Reference to the masculine gender embraces the feminine and the singular embraces the plural and vice versa.

(e) References to clauses and Schedules are to those contained in this Deed and the Schedules form an integral part of this Deed.

## 2. TITLE/NAME

The Partners shall carry on in partnership as solicitors[[1]](#footnote-1) under the name [XYZ] or such other name as the Partners may Resolve. The Partners shall register this name under the Registration of Business Names Act 1963, if so required by the terms of that Act.

## 3. DURATION

The Partnership shall continue upon the terms hereof from the [ ] day of 200[] and unless or until otherwise agreed in writing by all the Partners shall continue so long as there are two or more Partners. A person becoming an Outgoing Partner, whether by death, bankruptcy, retirement, expulsion or otherwise, or a person joining the Partnership, shall not determine the partnership as between the Continuing Partners.

## 4. PLACE OF BUSINESS OF THE PARTNERSHIP

The principal place of business of the Partnership shall be at [ ], Dublin or as Resolved by the Partners and the other places of business of the Partnership shall be at such other premises as may be Resolved by the Partners.

## 5. PARTNERSHIP PROPERTY

(a) Any property from time to time used for the purpose of the Partnership and all property, securities and other assets of whatsoever kind held by the Partnership at the date hereof or hereafter acquired on behalf of the Partnership shall be the property of the Partnership and shall be held by such of the Partners in whose names the same may from time to time be vested in trust for the Partners in the shares in which they are from time to time entitled to share in the profits of the Partnership under Clause [7(b)].

(b) The Partners hereby indemnify any Partner or Outgoing Partner in whose name any such property or securities or other assets as aforesaid are for the time being vested (or have previously been vested) against all claims for rent property taxes costs of repairs alterations or improvements and insurance relating to any such property and generally in respect of any obligations in respect of any such property securities or other assets.

(c) Without prejudice to any statutory power, if any Partner shall become an Outgoing Partner, the Continuing Partners may by deed remove him or her from the said trusteeship and by the same or any other deed or deeds may appoint one or more other persons (whether or not being the person or persons exercising the power) to be a trustee or trustees in place of the Outgoing Partner so removed from the trusteeship and may by the same or another deed grant a power of attorney to the person or persons so appointed in the name of the Outgoing Partner so removed to execute any document necessary to vest the property comprised in the trust in the new trustees thereof.

## 6. CAPITAL AND ADVANCES

(a) The amount to be contributed by each of the Partners to the capital of the Partnership and any further capital required by the Partnership and the proportions to which the Partners are entitled to the capital of the Partnership shall unless otherwise Resolved by all of the Partners be in the same proportions as they are from time to time entitled to share in the profits in accordance with Clause [7(b)].

(b) The capital of the Partnership shall initially be the amount set out in the balance sheet contained in the Second Schedule[[2]](#footnote-2) and may be increased by a Resolution of all the Partners.

(c) Each of the Partners shall be entitled to interest at the rate of [ ]% per annum on the amount of his or her share in the Partnership capital to be calculated on a day to day basis and to be credited each year before the profits are divided

OR

[The Partners shall not be entitled to interest on the amount of his or her share in the Partnership capital.]

(d) If any Partner shall, at the request in writing of all the other Partners, advance any sum of money by way of loan to the Partnership the same shall be a debt due from the Partnership to that Partner and shall carry interest at the rate of [ ]% per annum.

## 7. PROFITS AND LOSSES

(a) The profit of an income nature of the Partnership (as shown by the Accounts) and after payment of interest pursuant to Clause [6(c) and 6(d)] for each Accounting Period shall be divided into [ X ] equal shares of profits (where [ X ] represents the aggregate number of shares of profits of all the Partners for that Accounting Period).

(b) As between the Partners with effect from the [ ] day of 200[], the shares of profits of an income nature of the Partnership shall be divided as follows:-

**Partner Number of shares of profits**

**[ ] [ ]**

 **\_\_\_\_**

**Aggregate number of shares of profits [ ]**

The losses of an income nature of the Partnership shall be divided between the Partners in the same proportion as the profits of an income nature.

The profits and losses (or liabilities) of a capital nature of the Partnership shall be shared between the Partners in the same proportion as the profits and losses of an income nature.

(c) The Partners may from time to time by the agreement of all the Partners in writing vary the number of shares of profits in the Partnership and the number of shares of profits held by each Partner.

(d) On the admission of a person to the Partnership the Partners shall allocate to him for any Accounting Period or part thereof such number of new shares of profits as may be agreed by all the Partners and the aggregate number of shares of profits shall be increased accordingly.

(e) On a Partner becoming an Outgoing Partner the aggregate number of shares of profits shall be reduced by the number of shares of profits of the Outgoing Partner.

(f) Save, for a change pursuant to Clause [7(e)], any change in the aggregate number of shares of profits or the number of shares of profits of any Partner shall be effected by the written agreement of all the Partners.

(g) In respect of a Partner who is incapacitated from carrying out his or her duties for the period set out in Clause [20.(b)] the profit and loss share (of an income and capital nature) due to such Partner shall cease to accrue to such Partner from the start of such period of incapacity until he or she shall have resumed his or her duties in accordance with Clause [20.(b)]. Such profit and loss share shall be divisible between the other Partners in proportion to their shares of the profits (adjusted to exclude the incapacitated Partner for this purpose).

## 8. DRAWINGS

Each Partner shall maintain a current account within the Partnership books of account. A Partner shall be entitled to withdraw such sums on account of his share of the profits of the Partnership as may be agreed by all the Partners from time to time. Such drawings shall be debited to the Partner’s current account in the Partnership books of account.

## 9. PARTNERSHIP ACCOUNTS

(a) The Partnership shall maintain all necessary and proper books of account for the business and shall comply with any regulations or requirements of law.

(b) On the [ ] day of [ ] each year (or upon such other date as may be Resolved in writing by all the Partners) the Accounts of the Partnership shall be prepared in accordance with generally accepted accounting principles by Messrs [ ], Chartered Accountants, or such other accountants as may be Resolved from time to time by the Partners.

(c) When the Accounts for any Accounting Period shall have been approved and signed by the Partners such accounts shall be binding upon the Partners, in the absence of manifest error.

(d) The Accounts shall be prepared on the basis that (unless otherwise Resolved by all the Partners):-

(i) the goodwill of the Partnership shall be treated as having no value and the value thereof (if any) shall not feature therein

(ii) the Accounts for each Accounting Period shall be prepared on a consistent basis with the Accounts (if any) for the previous Accounting Period

(iii) [Other]

(e) All proper and usual books of account and entries therein shall be kept (in either paper or electronic form) by the Partners at the Partnership’s principal place of business and each Partner shall ensure that full and proper entries are duly and punctually made of all business transacted by him or her or at his or her direction on account of the Partnership.

(f) The precedent partner, for the purposes of s 1007 of the Taxes Consolidation Act, 1997, as amended from time to time, is [ ] or such other Partner as may be Resolved by the Partners.

(j) A Partner shall indemnify the other Partners jointly and severally for any tax, which is paid by the Partnership in respect of the first Partner’s tax liability.

## 10. BANK ACCOUNTS

(a) The bankers of the Partnership are [ ] and such other bankers as the Partners may from time to time Resolve.

(b) All Partnership monies (whether cheques or otherwise) shall be paid promptly into the Partnership bank account.

(c) All cheques [up to € ] shall be drawn under the name of the Partnership and may be so drawn by any [two] Partners or in such other manner as may be Resolved in writing by all the Partners. Cheques in excess of this amount, shall require the approval of [all] of the Partners.

## 12. OBLIGATIONS OF PARTNERS

Each Partner shall at all times:

(a) devote his whole time/as much time as is reasonably required to effectively carry out the work of the partnership business, and work diligently and use his best skill and endeavours to promote the business of the Partnership;

(b) be just and faithful to the other Partners in all transactions dealings and matters in relation to the Partnership and at all times give to the other Partners a true and proper account of all such dealings;

(c) keep proper records of all business transacted by him on behalf of the Partnership; and

(d) punctually pay and discharge his separate debts and liabilities whether present or future and he undertakes to indemnify the other Partners and their respective estates and effects against any claims arising therefrom.

## 13. ACTS REQUIRING CONSENT

(a) No Partner shall without the consent in writing of all the other Partners:-

 (ii) engage or enter into a contract with or dismiss any employee of the Partnership,

(iii) enter into any arrangement or contract whereby the Partners may be put at risk of the loss of or become liable for one sum or any number of sums in respect of the same matter in the aggregate of €1,000.00;

(iv) forgive the whole or any part of any debt or sum due for in excess of €100.00 to the Partnership;

(v) dispose by loan, pledge, mortgage, charge, sale or otherwise any asset or profits of the Partnership;

(vi) enter into any guarantee, bond or become bail or surety for any person or corporation;

(vii) assign mortgage or charge his interest in the Partnership;

(viii) lend any money on behalf of the Partnership.

(b) Subject to Clause [10], two Partners are required to draw, accept or endorse any bill of exchange, cheque or promissory note on account of the Partnership.

## 14. ADMISSION OF NEW PARTNERS

(a) The admission of a Partner to the Partnership and the terms of such admission[[3]](#footnote-3)shall be subject to a Resolution of all the Partners save as expressly provided in this Deed.

## 15. RETIREMENT

(a) A Partner may retire from the Partnership at the end of any Accounting Period (or such other date as may be agreed by all the other Partners) by giving the other Partners at least six months’ notice in writing (the “Notice of Retirement”).

(b) A Partner shall retire and shall be deemed to retire from the Partnership upon the expiry of not less than six months’ notice in writing requiring him to retire given to him by all the other Partners at a time when by reason of illness, injury or the holding of some office or appointment or other cause he has not performed his duties as a Partner throughout the period of six months’ immediately the service of the notice unless before the expiry of such notice, he fully resumes his Partnership duties or on such other date as all the Partners shall agree if later.

(c) A Partner may take a sabbatical from the Partnership only with the agreement of all the other Partners and in accordance with the terms of a written sabbatical agreement to be signed by all the Partners.

(d) A Partner shall retire from the Partnership at the end of the Accounting Period first after his [65th] birthday, unless the Partners resolve that he should continue as a Partner for a period not exceeding one year, but so that such period may be renewed from time to time by resolution of the Partners for a period not exceeding one year on each renewal.

## 16. EXPULSION

(a) If any Partner shall:-

(i) commit any serious breach of his duties under this Deed or commit persistent breaches hereof whether or not such breach or breaches would be grounds for the dissolution of the Partnership by court order[[4]](#footnote-4);

(ii) be guilty of any conduct likely in the reasonable opinion of all the other Partners to have a serious detrimental effect on the Partnership business;

(iii) fail to account in accordance with the provisions of this Deed for any monies received by him;

(iv) be declared bankrupt or have a receiver appointed to any of his assets or make any composition or arrangement with his creditors;

(v) fail to observe utmost good faith in his dealings with the other Partners;

(vi) absent himself from the Partnership without proper cause for more than [4] weeks (consecutive or otherwise) in any period of 12 months;

(vii) be convicted of any offence involving fraud or dishonesty or be sentenced to a term of imprisonment whether or not suspended;

(viii) be guilty of any flagrantly immoral behaviour or of any flagrant grave deliberate or persistent breach or breaches of the ethics or etiquette of the businees or of any other conduct calculated or tending to injure the reputation of the Partnership or likely to have a serious or adverse effect upon the Partnership's business; or

(ix) charge assign or transfer his share in the Partnership or any part thereof or suffer the same to be charged for his separate debt, without the consent of all the other Partners;

then in any such case, the other Partners (provided that there are more than one) may by notice in writing signed by all such other Partners (hereinafter called an "Expulsion Notice") given to him expel him from the Partnership (provided that an Expulsion Notice, which is based upon a breach of duty hereunder, shall be given within six months after the discovery thereof by the other Partners) and upon the giving of the Expulsion Notice such Partner shall be deemed to have been expelled from the Partnership provided always that no Expulsion Notice shall be given unless and until the Partner concerned shall have been given (if practicable) a reasonable opportunity to explain his conduct to the other Partners.

(b) In the event of a Partner being expelled from the Partnership in accordance with this Clause the amount, if any, payable to that Partner pursuant to the First Schedule shall be subject to a deduction by way of compensation for any damage caused to the Partnership by reason of the act or default giving rise to his expulsion and for the amount of the award of any arbitrator (including the costs thereof) to the other Partners, in relation to that act or default or the Expulsion Notice. The right of an expelled Partner to payment pursuant to the First Schedule is without prejudice to any claims which the other Partners may have against the expelled Partner.

## 17. PROVISIONS APPLICABLE ON A PARTNER CEASING TO BE A PARTNER

(a) The provisions contained in the First Schedule hereto shall apply whenever a Partner becomes an Outgoing Partner save where all the Partners become Outgoing Partners by virtue of the General Dissolution of the Partnership.

(b) Whenever the provisions contained in the First Schedule hereto are applicable no payment shall be made to the Outgoing Partner except in accordance with those provisions and the goodwill of the Partnership and all its assets shall accrue to and vest in the Continuing Partners in consideration of the mutual obligations and undertakings by the Partners.

(c) Section 33(1) of the Partnership Act 1890 shall not apply to the Partnership.[[5]](#footnote-5)

## 18. POWER OF ATTORNEY

In consideration of the mutual covenants of the Partners herein contained each of the Partners hereby irrevocably appoints the other Partners or any and each of them severally his attorneys and attorney for the purpose of signing, executing and doing all notices, documents deeds and acts and things which in accordance with the provisions set out in the First Schedule hereto or any requests made pursuant to those provisions or any time require to be signed, executed or done by him.

## 19. MEETINGS

(a) The Partners shall meet for the purpose of dealing with Partnership matters at times and dates of which at least one [one week's] notice shall be given by any Partner to all the Partners (except in the case of emergency). The accidental omission to give notice to or the non-receipt thereof by any Partner will not invalidate the proceedings at any meeting.

(b) A Partner shall not be entitled to vote on a resolution:

(i) to cause his retirement by reason of incapacity pursuant to Clause

[15(b)],

(ii) to expel him pursuant to Clause [16].

(c) For a Resolution to be passed arising under the clause set out in the first column of the table below a brief description of which (for convenience and not by way of construction) is set out in the second column of the table the percentage of votes of the Partners entitled to be cast set out in the third column of the table must be in favour of the Resolution. Each Partner has one vote. The quorum for Partners’ meetings shall be not less than two thirds in number of all the Partners, present in person or by proxy.

(d) Any other decisions of the Partners which do not involve a amendment to this Deed shall be made by Resolution, approved by 51% of the votes of all the Partners entitled to vote.

##  TABLE

|  |  |  |
| --- | --- | --- |
| Clause |  Brief Description | Percentage ofVotes Cast |
| Clause 1(a)(iii) | Change Accounting Date | [100] |
| Clause 2 | Change Firm Name | [51] |
| Clause 4 | Change place of business of Partnership | [75] |
| Clause 6(a) and 6(b) | Determine Partnership capital | [100] |
| Clause 9(b) | Change Partnership Accountants | [51] |
| Clause 9(d) | Change accounting basis | [100] |
| Clause 9(f) | Agree reserves | [75] |
| Clause 9(h) | Estimate Tax Reserves | [75] |
| Clause 9(h) | Vary interest on Tax Reserves | [75] |
| Clause 9(i) | Appoint Precedent Partner | [51] |
| Clause 10(a) | Change bank | [51] |
| Clause 10(c) | Change bank mandate | [100] |
| Clause 11(c) | Change insurance provision | [75] |
| Clause 14(a) | Admit new Partner | [100] |
| Clause 15(b) | Compulsory retirement of Partner for incapacity | [100] |
| Clause 15(d) | Continuation after [65th] birthday | [100] |
| Clause 16 | Expel Partner | [100] |
| Clause 19(d) | Resolution not varying the Deed | [51] |
| Clause 20(a) | Change holiday entitlement | [51] |
| Clause 23(a) | Dissolve Partnership | [100] |
| Clause 25(a) | Vary Deed | [100] |

## 20. HOLIDAYS, INCAPACITY, PREGNANCY

(a) Each Partner shall be entitled in each calendar year to holidays not exceeding in the aggregate [ ] days (in addition to the usual public holidays) at times consistent with the proper conduct of the Partnership and holiday arrangements of other Partners and staff or as may be Resolved by the Partners.

(b) Any Partner who shall be incapacitated (except by reason of pregnancy) from carrying out his duties for a total of [ ] working days in any period of [ ] months shall not resume working in the Partnership until he shall be certified by a doctor as fit to resume full-time work and Clause [7(g)] shall apply to such a Partner.

(c) A Partner who becomes pregnant shall:

(i) be entitled to up to [125 working days] leave of absence. Up to 55 working days of such leave may be taken prior to the expected date of confinement but the period of leave may commence earlier if a doctor certifies that it should. Such absence shall not affect her holiday entitlement.

(ii) give to her other Partners as much notice as is reasonable in the circumstances of her expected date of confinement the date on which she expects to leave work and the date on which she expects to return to work.

(iii) be entitled to a modified share of profits as follows:

(1) for the first [3] months of such absence be entitled to her full profit share

(2) for the next [3] months of absence she [shall not be

entitled to any profit share]

(iv) be automatically expelled as a Partner if she shall not return to work at the end of her period of leave of absence and the First Schedule shall apply to such expulsion.

## 21. NOTICES

Any written notices hereunder shall be sufficiently given to or served on the person to whom it is sent if it is personally delivered or is sent by registered letter addressed to that person at his last known address in Ireland. Any notice so given shall be deemed to have been delivered upon the day of delivery if delivered personally or at the expiration of two days if posted.

## 22. MEDIATION AND ARBITRATION

All disputes and questions whatsoever which shall either during the term of the Partnership or afterwards arise between the Partners or their representatives or between any Partners or Partner and the representatives of any other deceased Partner touching this Deed or construction or application thereof or any clause or thing herein contained or any amount valuation or division of assets, debts or liabilities to be made hereunder or as to any act, deed or omission of any Partner relating to the Partnership or as to any other matter in any way relating to the Partnership business or the affairs thereof or the right duties or liabilities of any persons hereunder shall be referred to mediation by a single mediator to be nominated by all the persons in dispute or in default of agreement on the application of any such Partner by the President for the time being of the Law Society*.* If the dispute is not resolved within [3/6] months of the appointment of the mediator, then unless otherwise agreed by all the persons in dispute, the dispute shall be referred to a single arbitrator to be nominated by all the persons in dispute or in default of agreement on the application of any such Partner by the President for the time being of the Law Society in accordance with and subject to the provisions of the Arbitration Acts, 1954 to 1998 or any statutory modification or re-enactment thereof for the time being in force.

## 23. DISSOLUTION

(a) The Partnership may not be dissolved by the notice of one partner under s 26(1) or s 32(c) of the Partnership Act 1890 but may be subject to a General Dissolution by a Resolution of the Partners.

(b) Upon the general dissolution of the Partnership the assets of the Partnership shall be sold or realised as soon as practicable and the proceeds applied in the following manner:-

(i) first, in paying and discharging the debts and liabilities of the Partnership and the expenses of and incidental to the winding up of the affairs of the Partnership any deficiency being contributed rateably by the Partners in the proportions in which they share profits immediately prior to the dissolution;

(ii) second, in paying to those Partners, who have made advances, the amount of such advances (together with any interest accrued on same up to the date of dissolution) and as between such Partners rateably according to the total of such advances, any deficiency being contributed rateably by the Partners in the proportions in which they shares profits immediately prior to the dissolution;

(iii) third, in repaying to the Partners rateably what is due to them in respect of capital; and

(iv) last, in paying any surplus to the Partners in the proportions in which they shares profits immediately prior to dissolution.

(c) The Partners and Outgoing Partners shall execute do or concur in all necessary or proper instruments acts matters and things for effecting or facilitating the getting in sale and realisation of the assets of the Partnership and the due application and division of the proceeds thereof and for their mutual release or indemnity or otherwise.

(d) No Partner shall be entitled to carry on business after the date of the General Dissolution under the Partnership name, unless and to the extent that he or she shall have been authorised to do so by all of the other Partners.

## 24 ADVERTISEMENT OF DISSOLUTION

Where the Partnership is dissolved, either as regards all the Partners or as regards some or one only of the Partners, all the Partners or the Continuing Partners, as the case may be, shall forthwith advertise the dissolution in *Iris Oifigiul* and if applicable, shall notify the register of business names of the change in details of the business name(s) registered by the Partnership*.*

## 25 VARIATION

(a) This Deed may not be released, discharged, supplemented, amended varied or modified in any manner except by Resolution of the Partners and such Resolution shall be signed by all of the Partners.

 (b) No variation pursuant to this Clause shall take effect so as to prejudice the rights of a person who is an Outgoing Partner at the time the variation takes effect.

(c) Upon any variation of this Deed amendments shall be made to the relevant page or pages or a new page or new pages shall be inserted in the Deed and in either case shall be signed by all the Partners and a copy of the page or pages as amended or substituted shall be supplied to each Partner as soon as practical after signature.

## 25 FORBEARANCE AND WAIVER

The rights of a Partner will not be prejudiced or restricted by any indulgence or forbearance extended to another Partner or Partners, and no waiver by a Partner in respect of any breach will operate as a waiver in respect of any subsequent breach. No failure or delay by a Partner in exercising any right or remedy will operate as a waiver thereof, nor will any single or partial exercise or waiver of any right or remedy prejudice its further exercise or the exercise of any other right or remedy.

## FIRST SCHEDULE

## PROVISIONS APPLICABLE ON ANY PARTNERCEASING TO BE A PARTNER

### 1. DISSOLUTION

Save in the case of a General Dissolution under Clause [23(a)], this Partnership shall dissolve only as between the Continuing Partners and the Outgoing Partner(s) and shall continue in accordance with the provisions of this Deed between the Continuing Partners.

### 2. OUTGOING DATE

"Outgoing Date" means:

(a) in relation to a Partner who retires or is deemed to have retired under Clause [15(a)] of the Deed, the date of the expiry of his Notice of Retirement or the date of the expiry of any notice served on him by the other Partners under Clause [15(b)] of the Deed or the date of his retirement under Clause [15(d)];

(b) in relation to a Partner who is expelled from the Partnership under the terms of Clause [16] of the Deed, the date of service upon him of the Expulsion Notice or the end of her period of leave of absence in the case of Partner who is expelled under Clause [20(c)];

(c) in relation to the death of a Partner, his date of death.

### 3. VESTING OF OUTGOING PARTNERS' INTEREST

Subject to Clause [14(b)] of the Deed, the share and interest of the Outgoing Partner in the Partnership, including the capital, goodwill, Partnership name and other assets thereof shall accrue to the Continuing Partners without the Outgoing Partner his personal representatives trustee in bankruptcy, the official assignee in bankruptcy or any other person being entitled to any part thereof or share or interest therein or save in accordance with this Schedule to any payment in respect of thereof. Such interest shall, unless otherwise agreed by all the Continuing Partners accrue to the Continuing Partners in the proportions in which they are entitled inter se to the profits of the Partnership on the Outgoing Date (adjusted to exclude the Outgoing Partner for this purpose).

### 4. DEBTS AND LIABILITIES

The Continuing Partners shall pay and discharge all debts and liabilities of the Partnership arising after the Outgoing Date excluding any debt or liability in respect of any claim arising out of any wrongful act or omission of the Partners or any of them to the extent that such claim is attributable to any wrongful act or omission while the Outgoing Partner was a Partner and is not covered by insurance. The exclusion in the previous sentence shall not apply to the extent to which a reserve for such a claim has been included in the Accounts at or prior to the Outgoing Date. Such debt or liability shall be divided between the Continuing Partners and the Outgoing Partner (where relevant) in accordance with their respective shares of the profits at the time the debt or liability was incurred. The Continuing Partners shall keep the Outgoing Partner and his estate and effects indemnified against all such debts and liabilities (save for those excluded as aforesaid) and all actions proceedings costs claims and demands in respect thereof.

### 5. UNDRAWN PROFITS

The Continuing Partners shall pay to the Outgoing Partner the undrawn balance of the Outgoing Partner's share of the net profits of the Partnership at the Outgoing Date as follows.

(a) The amount if any due to the Outgoing Partner in respect of any full Accounting Period ending on or before the Outgoing Date and not yet paid shall be determined in accordance with the provisions of the Deed as if the Outgoing Partner were still a Partner and paid to the Outgoing Partner within three months of the Outgoing Date upon the date he would have been entitled to withdraw same under Clause [9(f)] of the Deed; and

(b) Where the Outgoing Date does not coincide with the final date of an Accounting Period the amount due since the last Accounting Date shall be the proportionate part (calculated on a monthly basis) of the share of the net profits of the Partnership for that current Accounting Period to which the Outgoing Partner would have been entitled in accordance with the provisions of the Deed if he had continued to be a Partner for the entire of that Accounting Period and shall be paid to the Outgoing Partner within six months of the end of that Accounting Period.

(c) In the event of the drawings made by the Outgoing Partner prior to the Outgoing Date on account of net profits being greater than the amount due to the Outgoing Partner under Paragraph [5(a)] and [5(b)] of this Schedule the Continuing Partners shall be entitled to deduct such excess from any other sums payable to the Outgoing Partner by the Continuing Partners. If such excess is greater than the amount owed to the Outgoing Partner, the Outgoing Partner shall forthwith repay the balance to Partnership and until such repayment, it shall bear interest at 2 per cent per annum over the base rate for the time being of the Partnership’s bankers from the Outgoing Date.

**[ If payment is to be made to an Outgoing Partner in respect of his capital, the following clause could be used:**

### 6. REPAYMENT OF CAPITAL AND ADVANCES

The Continuing Partners shall pay to the Outgoing Partner within [twelve] months of the Outgoing Date the balance standing to the credit of his capital account (but excluding any payment for goodwill) as shown in the most recent set of signed Partnership Accounts[[6]](#footnote-6) and any advances (including interest) made by the Outgoing Partner to the Partnership, together with interest at 2 per cent per annum over the base rate for the time being of the Partnership’s bankers from the Outgoing Date.**]**

### 7. BOOKS AND OTHER DOCUMENTS

The Outgoing Partner shall deliver to the Continuing Partners all books of account records, clients’ files and other documents in his possession relating to the Partnership but during the period of three years following the Outgoing Date the Outgoing Partner or his duly authorised agent shall be permitted to inspect by appointment books of account, records, letters and other documents of the Partnership so far as they relate to any period preceding the Outgoing Date.

### 8. FURTHER ASSURANCE

The Outgoing Partner shall sign, execute and do all such documents deeds acts and things as the Continuing Partners may reasonably request for the purpose of enabling the Continuing Partners to recover and get in the books, debts and other assets of the Partnership or for the purpose of appointing any new trustee of any of the Partnership assets or for the purpose of conveying, assigning or transferring to the Continuing Partners any of the Partnership property which immediately prior to the Outgoing Date is vested in the Outgoing Partner in his capacity as one of the Partners or in trust for the Partnership.

### 9. SET OFF

The Continuing Partners shall be entitled to deduct from any of the sums payable to the Outgoing Partner under this Schedule any sums due by the Outgoing Partner to the Partnership at the Outgoing Date or any sum which became owing by the Outgoing Partner to the Partnership subsequent to the Outgoing Date but arising from some act omission or other occurrence prior to the Outgoing Date.

### 10. FULL SETTLEMENT

The sums payable in accordance with the provisions of this Schedule shall be in full settlement of the share and interest of the Outgoing Partner in the Partnership, including its assets and profits.

**SECOND SCHEDULE**

**BALANCE SHEET ON COMMENCEMENT OF PARTNERSHIP**

**IN WITNESS WHEREOF** the Parties hereto have hereunder set their hands and affixed their seals the day and year first herein written.

**PRESENT when the common**

**Seal of the First Party was affixed**

**Hereto:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«First\_Party» Company Seal**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director/Secretary**

**SIGNED By the First Party**

**in the presence of:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«First\_Party»**

**PRESENT when the common**

**Seal of the Second Party was affixed**

**Hereto:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«SecondParty» company seal**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director/Secretary**

**SIGNED By the Second Party**

**in the presence of:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«SecondParty»**

**SIGNED By the Third Party**

**in the presence of:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«ThirdParty»**

**PRESENT when the common**

**Seal of the Third Party was affixed**

**Hereto:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«ThirdParty» Company Seal**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director/Secretary**

**SIGNED By the Fourth Party**

**in the presence of:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«FourthParty»**

**PRESENT when the common**

**Seal of the Fourth Party was affixed**

**Hereto:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**«FourthParty» Company Seal**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director/Secretary**

**«ourref»**

**DATED THE OF**

**AGREEMENT**

**«SolicitorCoName»**

**«CompanyAdd1»**

**«CompanyAdd2»**

**«CompanyAdd3»**

**«CompanyAdd4»**

**«ourref»**

1. In certain cases, it may be appropriate to define more restrictively the business of the partnership, *eg* a family law or criminal law practice. The advantage of doing this, is that it restricts the authority of the partners to bind their co-partners to that business (Partnership Act 1890, s 5) and consequently the liability of the partners for those acts. [↑](#footnote-ref-1)
2. By requiring the partners to have a balance sheet at the commencement of the partnership, this clause brings the partners’ attention to the fact that it is advisable to involve accountants at the creation of the partnership. [↑](#footnote-ref-2)
3. If the partners wanted to agree in advance the terms upon which new partners would be admitted, a clause along the following lines could be included in the partnership agreement: “The admission of a new Partner to the Partnership shall be evidenced by a deed supplementary to this Deed, executed by the new Partner, and by all of the other Partners to the intent that the terms of this Deed shall, after such admission, continue to govern the Partnership, notwithstanding such admission, subject to any provisions to the contrary in any such supplementary deed. The other Partners shall indemnify the new Partner against all debts and liabilities of the Partnership existing at the date of admission and against any claim against the Partnership arising from any act or omission which has occurred prior to that date." [↑](#footnote-ref-3)
4. This is a reference to a court ordered dissolution of a partnership, which may be made in the circumstances set out in s 35 of the Partnership Act 1890. [↑](#footnote-ref-4)
5. This clause clarifies that the death or bankruptcy of a partner does not lead to the general dissolution of the partnership, which is the default position under s 33(1) of the Partnership Act 1890. [↑](#footnote-ref-5)
6. Thus, the Partners may wish to ensure that the Accounts accurately reflect the true value of the Partner’s capital and not the historical value. Alternatively, the agreement could provide for an account to be taken at the Outgoing Date, which requires current values to be put upon property, work-in-progress etc. [↑](#footnote-ref-6)