**Partnership Agreement :**

Modify the items highlighted in red text

This agreement made on the 1st……………… day of ………. …. **20XX**

Between :

…………………………………………………………………………

…………………………………………………………………………

Witnesseth that it is hereby mutually agreed that the said parties hereto shall become partners upon the terms hereinafter contained namely : -

1. The partnership business shall be that of ………………….and shall be carried out at :……………………………………… or at such place or places as the partners my from time to time agree upon.
2. The duration of the partnership shall be …... years from the date hereof.
3. The firm name shall be ………………………………….
4. The Bankers of the partnership shall be …………………………..
5. The Accountants of the partnership shall be ……………………
6. The Solicitors of the partnership shall be ……………………………...
7. The capital of the partnership shall consist of the following items : -
8. Cash ……………….
9. Plant and Equipment ………………………….
10. Fixtures and Fittings ………………………….
11. Goodwill ,…………………………..
12. Interest at the rate of **X.0%** Per cent per annum shall be paid to each partner on the capital for the time being standing to his credit out of the gross profits of the business and such interest shall be cumulative so that any deficiency in one year shall be made up out of the gross profits of any succeeding year or years.
13. The net profits of the business shall be divided between the partners ***equally*** and they shall in like proportion bear all losses including loss of capital
14. The usual books of account shall be kept properly posted up and shall not be removed from the place of business without the consent of both partners. Each partner will have free access to them at all times and shall be at liberty to make such extracts therefrom as he / she may think fit.
15. On the **30th June 20XX** and on the anniversary of that date in each succeeding year during the continuance of the partnership an account shall be taken of all the capital asset and liabilities for the time being of the partnership and a Balance Sheet and Profit and Loss account making due allowances for depreciation and for recouping any lost capital shall be prepared and a copy thereof furnished to each of the partners who shall be bound thereby
16. On the anniversary date any mutually agreed variations to the partnership agreement will be reviewed for inclusion into the agreement
17. Each partner shall be entitled to the following leave entitlements :-

**Annual Leave ……20…. days**

**Public Holidays … 10…… days**

**Sick Leave …12…… days**

**Other**

1. Each partner shall :-
2. Conscientiously attend to the business activities of the partnership
3. Punctually pay his separate debts and indemnify the other partner/ partners and the assets of the firm against the same and all expenses on account thereof
4. Pay all monies cheques and negotiable instruments received by him/her on account of the firm into the firm account
5. Be just and faithful to the other partner and at all times give to such other full information and truthful explanations of all matters relating to the affairs of the partnership and afford every assistance in his/her power in carrying on the business for their mutual advantage
6. No partner shall without the consent of the other :-
7. Either directly or indirectly engage in any other business
8. Take any apprentice or hire or dismiss any agent or servant of the firm
9. Lend any of the monies or deliver upon credit any of the goods of the firm to any person or persons whom the other partners shall have previously in writing forbidden him to trust
10. Give any security or promise bail or surety for any person or knowingly cause or suffer to be done anything whereby the partnership property may be endangered
11. Mortgage or charge his share in the assets or profits of the firm
12. Draw accept or indorse any bill of exchange or promissory note on account of the firm

Any partner committing any breach of any of the foregoing stipulations shall indemnify the other of them from all expenses on account thereof

1. If a partner shall :-
2. Commit any breach of any of the provisions of Clauses 14 and 15 of these presents or
3. Commit any act of bankruptcy or
4. Become physically or mentally unfit to attend to business or
5. Commit any criminal offence or
6. Do or suffer any act which would be a ground for the dissolution of the partnership by the Court

Then and in any such case the other partner may within three calendar months after becoming aware thereof by notice in writing determine the partnership and in that case he shall have the option (to be exercised at the time of giving such notice) of purchasing the share of the offending partner in the business upon the like terms as are set forth in the next clause hereof in relation to the purchase by a surviving partner of the share of a deceased partner

1. The partners will arrange Key man insurance policies cross held on the lives of the individual partners to facilitate share purchase arrangements on the premature death any partner when the Business earns sufficient profits to arrange for this contingency
2. If any partner shall die during the continuance of the said partnership the survivor shall purchase the share of the deceased partner in the business
3. If the remaining partners shall not exercise the option contained in clause 18 hereof or if the partnership shall be determined or expire during the joint lives of the partners the partnership will be wound up and the assets distributed as provided by the Partnership Act 1958 but each partner shall be entitled to bid at any sale of such assets at public auction
4. All disputes which shall arise between the partners or between any of them and the personal representatives of the other or between their respective personal representatives and whether during or after the determination of the partnership and whether in relation to the interpretation of these presents or to any act or omission of any party to the dispute or as to any act which ought to be done by the parties in dispute or any of them in relation to any other matter whatsoever touching the partnership affair shall be referred to arbitration in accordance with the provisions of the **Arbitration Act 1958** and any arbitrator appointed hereunder shall have full power to dissolve the partnership if he shall think fit

In witness whereof we have hereto set our hands the day and year first herein before written

Signed by the said ………………………………………….

In the presence of ………………………………………….

Signed by the said ………………………………………….

In the presence of ………………………………………….

Signed by the said ………………………………………….

In the presence of ………………………………………….