Partnership Agreement

1. Parties

1.1 Parties. This Partnership Agreement (the "**Agreement**") is entered into between:

(a) **[Partner 1 full name: _____]**, identity or passport number [Partner 1 identity or passport number: _____], of [Partner 1 physical address: _____], [Partner 1 marital status and regime: _____]; and

(b) **[Partner 2 full name: _____]**, identity or passport number [Partner 2 identity or passport number: _____], of [Partner 2 physical address: _____], [Partner 2 marital status and regime: _____];

and each further person who signs a deed of adherence under clause 27 (each a "**Partner**" and together the "**Partners**").

1.2 Additional original Partners. If there are more than two original Partners, the details of each further original Partner are set out in Schedule A, and each of them signs this Agreement in the signature section below. Every reference to "the Partners" includes them.

1.3 Capacity. Each Partner warrants to the others that he or she is a major with full legal capacity, is not an unrehabilitated insolvent, is not subject to any court order, employment contract, restraint of trade or other agreement that prevents him or her from entering into this Agreement or performing it, and has disclosed his or her marital status and matrimonial property regime truthfully in clause 1.1. A Partner whose marital status or matrimonial property regime changes will tell the other Partners in writing within 14 days.

2. Recitals

2.1 The Partners wish to carry on the business described in clause 6 together, in partnership, for their joint benefit and with the object of making a profit.

2.2 Each Partner has agreed to bring into the partnership money, property, labour or skill, as recorded in clause 9 and Schedule A.

2.3 The Partners record that South Africa has no general statute that governs partnerships, so that the common law applies to their relationship except where this Agreement provides otherwise. They wish to record in writing the terms on which they carry on the business, share its profits and losses, manage it, admit and release Partners, and end it.

2.4 The Partners therefore agree as set out below. These recitals form part of this Agreement and may be used to interpret it.

3. Definitions and interpretation

3.1 Definitions. In this Agreement, unless the context indicates otherwise:

(a) "**Accountant**" means the accounting officer or registered auditor appointed under clause 23.4;

(b) "**Business**" means the business described in clause 6.1, together with every activity reasonably incidental to it;

(c) "**Business Day**" means any day other than a Saturday, a Sunday or a public holiday in the Republic of South Africa;

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(d) "**Capital Account**" and "**Current Account**" have the meanings given in clause 12;

(e) "**Commencement Date**" means [Commencement date: _____];

(f) "**Confidential Information**" has the meaning given in clause 34.1;

(g) "**Financial Year**" means each period of 12 months ending on [Financial year end: _____], except that the first Financial Year starts on the Commencement Date and the last ends on the date of dissolution;

(h) "**Managing Partner**" means the Partner appointed under clause 16.3, or any Partner later appointed in that Partner's place;

(i) "**Outgoing Partner**" means a Partner who retires, is expelled, dies, becomes incapacitated or whose estate is sequestrated, and includes his or her executor, curator, trustee or other legal representative where the context requires;

(j) "**Partnership**" means the partnership between the Partners constituted and continued under this Agreement, and includes each partnership deemed to continue under clause 27.4;

(k) "**Prescribed Rate**" means the rate of interest prescribed from time to time under section 1(2)(a) of the Prescribed Rate of Interest Act 55 of 1975;

(l) "**Profit Share**" means the percentage of the net profits and losses of the Partnership allocated to a Partner in Schedule B, as adjusted under this Agreement;

(m) "**Remaining Partners**" means the Partners other than an Outgoing Partner;

(n) "**SARS**" means the South African Revenue Service;

(o) "**SARS Representative**" means the Partner appointed under clause 24.4;

(p) "**Special Resolution**" means a decision approved by Partners holding at least 75 per cent of the Profit Shares;

(q) "**Unanimous Resolution**" means a decision approved in writing by every Partner entitled to vote on it; and

(r) "**VAT Act**" means the Value-Added Tax Act 89 of 1991.

3.2 Interpretation. In this Agreement: headings are for convenience only and do not affect interpretation; words in the singular include the plural and the reverse; a reference to one gender includes the others; "including" is not a word of limitation; a reference to a statute includes that statute as amended or re-enacted, and the regulations made under it; and a number of days is calculated by excluding the first day and including the last day, but if the last day is not a Business Day it moves to the next Business Day.

3.3 Schedules. The Schedules and the Annexure form part of this Agreement. If a Schedule conflicts with the body of this Agreement, the body prevails, unless the body states that the Schedule determines the matter.

3.4 No contra proferentem. This Agreement was negotiated by all the Partners. No rule of interpretation applies against a Partner because that Partner prepared this Agreement or any part of it.

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4. Formation and legal nature

4.1 Formation. The Partners hereby form a partnership with effect from the Commencement Date. If the Partners already carried on the Business together before the Commencement Date, this Agreement records and replaces the terms of that earlier partnership from the Commencement Date, and the Partners' rights for the earlier period are settled in the first set of financial statements under clause 23.

4.2 Essentials. The Partners record that each of them contributes or binds himself or herself to contribute money, property, labour or skill to the Partnership; that the Business is carried on for their joint benefit; and that the object of the Partnership is to make a profit.

4.3 Legal nature. The Partners record and accept that:

(a) the Partnership is not a juristic person separate from the Partners, and the assets of the Partnership are owned by the Partners in common in their Profit Shares unless this Agreement provides otherwise;

(b) the Partnership is not a separate taxpayer for income tax, and each Partner is taxed on his or her share of the Partnership's income under clause 24;

(c) the Partnership is a separate person for value-added tax, and is treated as such under clause 24; and

(d) the Partnership may sue and be sued in its own name in the High Court under rule 14 of the Uniform Rules of Court, but a judgment or claim against the Partnership may affect each Partner as set out in clause 25.

4.4 Common law. The common law of partnership applies to every matter that this Agreement does not regulate. Where this Agreement regulates a matter differently from the common law and the common law allows the Partners to agree on that matter, this Agreement prevails.

4.5 No other relationship. Nothing in this Agreement makes a Partner the employee, agent or trustee of another Partner, except as this Agreement expressly provides, and no Partner may hold himself or herself out as having authority that this Agreement does not give.

5. Partnership name

5.1 Name. The Partnership carries on business under the name **[Partnership name: _____]**. It may also trade as **[Trading name: _____]**, or under any other name approved by Unanimous Resolution.

5.2 Use of the name. All contracts, invoices, letterheads, quotations, websites and bank accounts of the Business will show the name of the Partnership. Where a counterparty asks, the Managing Partner will disclose the full names of the Partners.

5.3 Litigation in the name. Any proceedings by the Partnership will be brought in the name of the Partnership where the rules of the court allow it. A Partner who receives a summons, notice or demand addressed to the Partnership will give a copy to every other Partner within two Business Days.

5.4 Ownership of the name. The name, trading name, logos, domain names, social media accounts and the goodwill attached to them are assets of the Partnership. An Outgoing Partner will not use them, or any confusingly similar name, after ceasing to be a Partner. If the name includes the personal name of an Outgoing Partner, the Remaining Partners may continue to use it for [Months to stop using an outgoing partner's name: _____] months after the Outgoing Partner leaves while they change it, but must not represent that the Outgoing Partner is still a Partner.

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6. Purpose and scope of business

6.1 Business. The business of the Partnership is **[Business of the partnership: _____]**.

6.2 Contribution of effort. Each Partner will devote to the Business the time, labour and skill stated for that Partner in Schedule B, as part of his or her contribution to the Partnership.

6.3 Change of business. The Partnership may not carry on any business outside clause 6.1 unless the Partners first approve it by Unanimous Resolution.

6.4 Lawful conduct. The Partners will carry on the Business lawfully and will obtain and keep every licence, permit, registration and professional membership that the Business needs. No Partner is obliged to take part in an act he or she reasonably believes to be unlawful.

7. Place of business

7.1 Principal place of business. The Business will be carried on at **[Principal place of business: _____]**, and at any other place the Partners approve by Special Resolution.

7.2 Premises. Any lease of premises for the Business is concluded in the name of the Partnership, or of the Partners jointly for the Partnership, and needs approval under clause 17. The rent and costs of the premises are expenses of the Partnership.

7.3 Change of address. If the place of business changes, the Managing Partner will update the address with SARS, the Partnership's bankers, insurers and licensing authorities within 21 days.

8. Commencement and duration

8.1 Commencement. The Partnership starts on the Commencement Date.

8.2 Duration. The Partnership continues [Duration: _____], until it is dissolved under clause 36.

8.3 Continuation after a fixed period. If the Partnership was formed for a fixed period or a specific undertaking and the Partners carry on the Business after that period ends or the undertaking is completed, without a written agreement to extend it, the Partnership continues on the terms of this Agreement for an indefinite period, and clause 29 applies to a Partner who wishes to leave.

9. Capital contributions

9.1 Initial contributions. Each Partner will contribute to the Partnership the money, property, labour and skill set out beside his or her name in Schedule A, by **[Deadline for initial contributions: _____]**.

9.2 Money. Cash contributions are paid in South African rand by electronic transfer into the Partnership's bank account under clause 22.

9.3 Property. Property contributed by a Partner is brought into the Partnership at the value agreed in Schedule A. Ownership passes to the Partners in common for the Partnership on delivery of movable property, or on registration of transfer of immovable property under clause 21. The contributing Partner warrants that he or she is entitled to dispose of the property, that it is free of any bond, lien, hire-purchase or other encumbrance except those disclosed in Schedule A, and that it is in the condition described there.

9.4 Use only. Property that a Partner allows the Partnership to use without transferring ownership (*quoad usum*) is listed as such in Schedule A. It remains the Partner's property. The Partnership will

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maintain and insure it and return it, fair wear and tear excepted, when the Partner ceases to be a Partner or the Partnership is dissolved.

9.5 Labour and skill. A contribution of labour or skill is a binding undertaking by the Partner to render the services described in Schedule A and Schedule B. It is credited to that Partner's Capital Account only to the extent Schedule A states an agreed value for it.

9.6 Spousal consent for joint-estate property. A Partner married in community of property who contributes immovable property that forms part of the joint estate, or who mortgages or burdens such property for the Partnership, must first deliver to the other Partners the written consent of his or her spouse, given for that act and attested by two competent witnesses, in the form of the Annexure. The contribution does not take effect until that consent is delivered.

9.7 No interest or return. No interest accrues on a Capital Account, and no Partner may withdraw any part of his or her capital, except as this Agreement provides.

10. Additional capital and late contributions

10.1 Further capital. If the Partnership needs further capital, the Partners may call for it by Special Resolution. The call must state the total amount, the purpose, each Partner's share (in proportion to Profit Shares unless the resolution states otherwise) and a payment date at least [Days to pay a capital call: _____] days after the call is delivered.

10.2 Late payment. A Partner who fails to pay any capital contribution, whether initial or further, on its due date (a "**Defaulting Partner**") pays interest on the overdue amount from the due date until the date of payment at [Interest rate on late contributions: _____]. If no rate is filled in, the Prescribed Rate applies.

10.3 Remedies. If the Defaulting Partner has not paid the overdue amount and interest within 14 days after written notice to pay, the other Partners may, by Special Resolution (excluding the Defaulting Partner's vote), do one or more of the following:

(a) contribute the overdue amount themselves, in which case the Profit Shares are adjusted so that each Partner's Profit Share bears the same proportion to the total as his or her Capital Account bears to the total of all Capital Accounts after the contribution, with effect from the start of the next month;

(b) advance the overdue amount to the Partnership as a loan on behalf of the Defaulting Partner, repayable with interest at the rate in clause 10.2 out of the first amounts that would otherwise be paid to the Defaulting Partner as drawings or profit;

(c) treat the default as a ground for expulsion under clause 30; or

(d) claim payment from the Defaulting Partner in the ordinary way.

10.4 Reasonable pre-estimate. The Partners agree that the adjustment in clause 10.3(a) reflects the real value of the capital each Partner has provided and is not a penalty.

11. Partner loans to the partnership

11.1 Approval. A Partner may lend money to the Partnership only if the Partners approve the loan under clause 17. A loan is not a capital contribution and is recorded in the Partner's loan account, separate from the Capital Account and Current Account.

11.2 Terms. Unless the Partners agree otherwise in writing, a Partner loan bears interest at [Interest rate on partner loans: _____], calculated daily and paid monthly in arrears, and is

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repayable on 90 days' written notice, but not earlier than 12 months after it was advanced.

11.3 Priority. Partner loans are repaid before any return of capital to the Partners on dissolution, but after debts owed to creditors who are not Partners.

11.4 National Credit Act. The Partners record that a partnership is a juristic person for the purposes of the National Credit Act 34 of 2005, and that a credit agreement between the Partnership, as consumer, and a Partner who has a controlling interest in it, as credit provider, is not an arm's length transaction. To the extent that Act applies to any other Partner loan, the Partners will comply with it.

11.5 Expenses paid by a Partner. A Partner who pays a proper expense of the Partnership from his or her own funds will be reimbursed within 30 days after submitting proof of payment. If not reimbursed in time, the amount is treated as a Partner loan from the date of payment.

12. Capital and current accounts

12.1 Capital Account. The Partnership keeps a Capital Account for each Partner. It is credited with that Partner's capital contributions and debited with any capital repaid to that Partner.

12.2 Current Account. The Partnership keeps a Current Account for each Partner. It is credited with the Partner's share of net profit and remuneration under clause 15, and debited with the Partner's share of net loss, drawings, and any amount the Partnership pays on that Partner's behalf.

12.3 Debit balance. If a Partner's Current Account shows a debit balance at the end of a Financial Year after the financial statements are approved, the Partner will repay the debit balance within 90 days, unless the Partners agree in writing to carry it forward. Interest at the rate in clause 10.2 runs on an unpaid debit balance after the 90 days.

12.4 Statements. Each Partner will receive a statement of his or her Capital Account, Current Account and loan account with the annual financial statements.

13. Profit and loss sharing

13.1 Shares. The net profits and net losses of the Partnership for each Financial Year are shared among the Partners in the Profit Shares set out in Schedule B. If Schedule B does not state a Profit Share for a Partner, the Partners share equally.

13.2 Calculation. Net profit or net loss is calculated by the Accountant in accordance with the accounting framework the Partners adopt under clause 23, after deducting all expenses of the Business and the remuneration payable to Partners under clause 15, but before drawings.

13.3 Losses. Losses are shared in the same proportion as profits, unless Schedule B states different loss shares. A Partner's share of losses is debited to his or her Current Account.

13.4 Partners carry the trade. The Partners record that for income tax each Partner is deemed to carry on the trade of the Partnership, and that each Partner's share of the Partnership's income is included in his or her own income for the year of assessment under section 24H of the Income Tax Act 58 of 1962. The allocation of profit in this clause is the basis on which each Partner declares his or her share to SARS.

13.5 Change during a year. If a Profit Share changes during a Financial Year, the net profit or loss for that year is apportioned on a time basis, unless the Accountant can determine the actual result for each part of the year without unreasonable cost.

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14. Drawings and distributions

14.1 Monthly drawings. Each Partner may draw, in advance of his or her share of profit, the monthly amount stated in Schedule B, payable on or before the [Day of the month for drawings: _____] day of each month.

14.2 Limits. The Managing Partner may reduce or suspend drawings, after notice to all Partners, if paying them would leave the Partnership unable to pay its debts as they fall due or breach a bank facility. Any reduction applies to all Partners in proportion to their drawing entitlements.

14.3 Distribution of profit. Within 30 days after the annual financial statements are approved, the Partnership distributes to each Partner the credit balance on his or her Current Account, less any reserve the Partners approve by Special Resolution for working capital, tax provisions, planned expenditure or contingencies.

14.4 Tax provision. Because each Partner pays his or her own income tax on his or her share of profit, the Partners may agree in Schedule B that a percentage of each Partner's drawings is kept aside for provisional tax, and the Partnership will pay it to the Partner in time for each provisional tax payment.

14.5 Overdrawing. If a Partner's drawings for a Financial Year exceed his or her share of the profit for that year, clause 12.3 applies to the excess.

15. Partner remuneration

15.1 Remuneration. No Partner is entitled to a salary or other remuneration for work done for the Partnership, except the monthly remuneration (if any) stated for that Partner in Schedule B, which is an expense of the Partnership in calculating net profit.

15.2 Review. The Partners will review the remuneration once in each Financial Year. A change needs a Special Resolution, and the affected Partner may not vote.

15.3 Expenses. Each Partner is entitled to reimbursement of reasonable expenses incurred in the proper conduct of the Business, in accordance with the expense policy the Partners approve, on submission of receipts.

15.4 Leave. Each Partner is entitled to [Leave days per partner per year: _____] working days of leave in each Financial Year, at times agreed with the other Partners so that the Business is not disrupted. A Partner who is unable to work because of illness for more than [Sick days before remuneration may be reviewed: _____] consecutive working days may be asked to accept a reduced remuneration under clause 15.2 while the absence continues.

16. Management and voting

16.1 Management. Each Partner is entitled to take part in the management of the Business, subject to this Agreement.

16.2 Voting. Each Partner has votes in proportion to his or her Profit Share. Unless this Agreement requires a Special Resolution or a Unanimous Resolution, a decision of the Partners is taken by Partners holding more than 50 per cent of the Profit Shares.

16.3 Managing Partner. [Managing partner: _____] is appointed Managing Partner. The Managing Partner runs the day-to-day operations of the Business within the budget and policies approved by the Partners, reports to the Partners at each meeting, and may be removed or replaced by Special Resolution.

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16.4 Roles. The duties of each Partner are set out in Schedule B. The Partners may reallocate duties by Special Resolution.

16.5 Deadlock. If the Partners are unable to reach a decision on a matter that is material to the Business at two consecutive meetings held at least 14 days apart (a "**Deadlock**"), any Partner may refer the matter to the dispute resolution procedure in clause 38. If the Deadlock concerns a matter in clause 17 and remains unresolved 60 days after mediation started, any Partner may give notice of retirement under clause 29 with a notice period of 60 days.

17. Reserved matters requiring unanimity

17.1 Unanimous matters. The Partnership may not do any of the following without a Unanimous Resolution:

(a) admit a new Partner, or change any Partner's Profit Share except under clause 10.3;

(b) change the nature or scope of the Business, or carry on business in a new place outside South Africa;

(c) sell, lease, mortgage or otherwise dispose of or encumber immovable property, or the whole or a substantial part of the Business or its goodwill;

(d) borrow money, obtain a credit facility or grant security over Partnership assets, beyond the limits in Schedule B;

(e) give any suretyship, guarantee or indemnity for the obligations of another person;

(f) approve a Partner loan, or any contract between the Partnership and a Partner or a relative or associate of a Partner;

(g) enter into any contract outside the ordinary course of the Business, or with a value above the limit in Schedule B;

(h) institute or settle legal proceedings with a value above the limit in Schedule B, except for urgent steps to protect the Partnership's rights;

(i) apply for the surrender of the Partnership's estate, or agree to its liquidation, or enter into a compromise with its creditors;

(j) amend this Agreement; and

(k) any other matter listed as a reserved matter in Schedule B.

17.2 Interested Partner. A Partner who has a personal interest in a matter in clause 17.1(f) must disclose it and may not vote on it, and the resolution is valid if all the other Partners approve it.

18. Authority to bind and suretyships

18.1 Ordinary course. Each Partner may bind the Partnership in transactions in the ordinary course of the Business, within the limits in this clause and Schedule B.

18.2 Limits. No Partner may, without the approval of the Partners required by clause 17:

(a) commit the Partnership to any single transaction or series of related transactions with a value above **[Single-partner signing limit: _____]**;

(b) sign a negotiable instrument other than in the ordinary course;

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(c) give a suretyship, guarantee or indemnity in the name of the Partnership, or bind himself or herself as surety for a Partnership debt; or

(d) release or compromise any debt owed to the Partnership, except in the ordinary course of collecting debts.

18.3 Suretyships by Partners. No Partner is obliged to stand surety for the Partnership's debts unless he or she agrees to it in writing. Where the Partnership's bankers or a supplier require personal suretyships, the Partners will give them in proportion to their Profit Shares, unless they agree otherwise in writing.

18.4 Spousal consent. A Partner married in community of property who binds himself or herself as surety must deliver the written consent of his or her spouse, given for that suretyship and attested by two competent witnesses, in the form of the Annexure, unless the suretyship is given in the ordinary course of that Partner's profession, trade or business. Because it is often unclear whether a suretyship is given in the ordinary course, the Partners agree that consent will be obtained for every suretyship.

18.5 Unauthorised acts. A Partner who acts outside his or her authority is liable to the other Partners for all loss, damage and costs they suffer as a result, and holds any profit from that act for the Partnership. The other Partners may, by Special Resolution, ratify the act.

19. Meetings of partners

19.1 Regular meetings. The Partners meet [How often partners meet: _____] to review the performance of the Business, the management accounts, cash flow and any matter a Partner raises.

19.2 Calling a meeting. Any Partner may call a meeting by giving all Partners at least five Business Days' written notice stating the date, time, place or electronic platform, and the matters to be discussed. In an emergency, a meeting may be called on 24 hours' notice.

19.3 Quorum. A quorum is Partners holding more than 50 per cent of the Profit Shares, present in person or by electronic means that allow all participants to communicate at the same time. For a Special Resolution or Unanimous Resolution, the quorum is the Partners whose votes are needed to pass it. If a quorum is not present within 30 minutes, the meeting is adjourned to the same time and place seven days later, and the Partners present then form a quorum for any matter not requiring a Special or Unanimous Resolution.

19.4 Minutes. The Managing Partner keeps minutes of each meeting and circulates them within seven days. Minutes signed by the chairperson of the meeting are proof of the decisions taken, unless shown to be wrong.

19.5 Written resolutions. A resolution signed by Partners holding the Profit Shares needed to pass it at a meeting is as valid as if passed at a meeting. It may consist of several documents and may be signed electronically under clause 43.

20. Duties of partners

20.1 Good faith. Each Partner owes the other Partners and the Partnership the utmost good faith, and will act honestly, in the interests of the Partnership and with the care and skill that may reasonably be expected of a person carrying out the same functions.

20.2 Time and attention. Each Partner will devote to the Business the time stated in Schedule B and will not, without the consent of the other Partners, be engaged or interested in any other business, except the outside activities listed for that Partner in Schedule B and passive investments in listed

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securities.

20.3 No secret profits. No Partner may make a secret profit from the Business or from the use of Partnership property, information or opportunities. A Partner who receives a commission, discount, gift or other benefit in connection with the Business must disclose it and account to the Partnership for it.

20.4 Corporate opportunities. A Partner who learns of a business opportunity within the scope of the Business will first offer it to the Partnership and may take it up personally only if the other Partners decline it in writing.

20.5 Information. Each Partner will keep the other Partners fully informed of all matters relating to the Business that come to his or her knowledge, and will give true accounts and full information about anything affecting the Partnership.

20.6 Conduct. No Partner may, without the consent of the other Partners, do or allow anything that may result in the attachment of his or her interest in the Partnership, or pledge the credit of the Partnership for a private purpose.

20.7 Compliance. Each Partner will comply with the laws that apply to the Business, including laws on tax, data protection, anti-corruption and the keeping of records.

21. Partnership property

21.1 Partnership property. All property contributed under clause 9 (other than property contributed for use only), all property bought with Partnership funds and all goodwill, intellectual property, records, client lists and contracts of the Business are Partnership property and are owned by the Partners in common for the Partnership.

21.2 Immovable property. Because the Partnership cannot itself own registered property, immovable property acquired for the Partnership is registered in the names of the Partners, or of the Partners named by Unanimous Resolution, who hold it in trust for the Partnership. Each Partner in whose name property is registered will sign every document needed to deal with it as the Partners decide, and on ceasing to be a Partner will transfer it as the Remaining Partners direct, at the Partnership's cost.

21.3 Registered movables. Vehicles and other registered movables are registered in the name of the Partnership where the registering authority allows it, and otherwise in the name of a Partner nominated by the Partners, who holds them in trust for the Partnership.

21.4 Intellectual property. All intellectual property created by a Partner in the course of the Business belongs to the Partnership. Each Partner assigns to the Partnership all present and future rights in it and waives, to the extent the law allows, any moral rights against the Partnership. Pre-existing intellectual property of a Partner remains his or her property, but the Partnership has a royalty-free licence to use it for the Business while that Partner is a Partner, unless Schedule A says otherwise.

21.5 Private use. No Partner may use Partnership property for a private purpose without the approval of the other Partners.

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22. Banking

22.1 Account. The Partnership keeps its bank accounts in the name of the Partnership with **[Bank: _____]**, or with another registered bank chosen by the Partners. All money received by the Business is deposited in those accounts without delay.

22.2 Signing. Payments up to **[Single-signature payment limit: _____]** may be authorised by any one Partner. Payments above that amount need the authorisation of two Partners, or of both Partners if there are only two.

22.3 Online banking. Each Partner who has online banking access keeps his or her credentials secret and is responsible for any loss caused by a breach of that duty. All Partners are entitled to view-only access to the accounts at all times.

22.4 No mixing. No Partner may mix Partnership money with his or her own money, or pay private expenses from a Partnership account, except drawings under clause 14.

23. Books, records and financial statements

23.1 Books. The Managing Partner will keep, at the place of business, proper and up-to-date books of account and records of the Business, including records of all income, expenditure, assets, liabilities, invoices, contracts and bank statements.

23.2 Access. Each Partner may inspect and copy the books and records at any reasonable time, personally or through an accountant or attorney who is bound by a duty of confidentiality.

23.3 Financial statements. Within [Months to prepare annual statements: _____] months after the end of each Financial Year, the Accountant will prepare annual financial statements, including a statement of each Partner's Capital Account, Current Account and loan account. The financial statements are approved by Special Resolution and then bind all Partners, except for a manifest error reported within 30 days after approval.

23.4 Accountant. The Partners appoint **[Accountant: _____]** as Accountant, and may replace the Accountant by Special Resolution. The Accountant's fees are an expense of the Partnership.

23.5 Management accounts. The Managing Partner will give each Partner monthly management accounts, a cash-flow statement and an aged schedule of debtors and creditors within 15 days after the end of each month.

23.6 Retention. The Partnership will keep all books, records and supporting documents for at least five years from the date the last tax return or VAT return to which they relate was submitted to SARS, or for any longer period that a law, an audit or a pending dispute requires. Records may be kept electronically if they remain complete, accessible and readable.

23.7 Records on exit. An Outgoing Partner is entitled to copies of the records he or she reasonably needs for his or her own tax affairs and to determine the amount due under clause 32, and the Remaining Partners keep the originals.

24. Tax, VAT and SARS representative

24.1 Income tax. The Partners record that the Partnership is not registered separately for income tax and that each Partner is taxed on his or her share of the taxable profits of the Partnership in his or her own capacity. Each Partner is responsible for his or her own income tax returns, provisional tax and tax payments, and indemnifies the other Partners against any tax, interest or penalty arising from his

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or her own tax affairs.

24.2 Registration of each Partner. Each Partner who is not already registered as a taxpayer will register with SARS within 21 business days after becoming liable for normal tax or becoming liable to submit a return, and will give the other Partners proof of registration.

24.3 VAT. The Partnership is a separate person for VAT. The Managing Partner will monitor the value of the Partnership's taxable supplies each month and will apply for VAT registration of the Partnership as a vendor, in its own name, as soon as its taxable supplies in any consecutive 12 months exceed, or are likely to exceed, R2.3 million, or any other compulsory threshold that applies at the time. The Partners may by Special Resolution register the Partnership voluntarily where the VAT Act allows it, and may choose the payments basis while the Partnership qualifies for it. The Managing Partner will submit VAT returns and pay VAT from the Partnership's funds on time.

24.4 SARS Representative. The Partners appoint **[SARS representative: _____]** as the representative who acts on behalf of all the Partners for the Partnership's dealings with SARS, including the beneficial owner register. The SARS Representative will:

(a) capture the details of every Partner, and of every natural person who exercises executive control over the Partnership, and submit the IT3(BO) beneficial owner register on eFiling every year, before the Partners submit their own income tax returns (ITR12);

(b) update the register when a Partner is admitted, leaves or changes his or her details;

(c) send each Partner a copy of each submission and of any correspondence from SARS within five Business Days after it is made or received; and

(d) take no step that commits a Partner personally to a tax liability without that Partner's written consent.

24.5 Information from Partners. Each Partner will give the SARS Representative, within 10 Business Days after a request, the personal and tax information needed for the beneficial owner register and any other return of the Partnership.

24.6 Employees' tax. If the Partnership employs staff, the Managing Partner will register the Partnership as an employer with SARS and with the other authorities the law requires, and will deduct and pay employees' tax and other statutory contributions on time.

24.7 Advice. Each Partner has been advised to obtain his or her own tax advice on the effect of this Agreement and of any change in his or her Profit Share.

25. Liability to third parties and indemnity

25.1 Liability to creditors. The Partners record that the Partnership is not a limited liability entity and that each Partner may be held liable for the debts of the Partnership. A creditor who obtains a judgment against the Partnership must first execute against the assets of the Partnership, and only after that against the private assets of a Partner.

25.2 Sharing between Partners. As between the Partners, every debt, loss and liability of the Partnership is borne by them in their Profit Shares (or loss shares, if different), except a liability that results from a Partner's breach of this Agreement, fraud, dishonesty, gross negligence or act outside his or her authority, which that Partner bears alone.

25.3 Contribution and indemnity. If a Partner pays more than his or her share of a Partnership debt, the other Partners will each reimburse that Partner for their share of the excess within 30 days after

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written demand, with interest at the Prescribed Rate from the date of demand. Each Partner indemnifies the other Partners against any liability that he or she must bear alone under clause 25.2.

25.4 Indemnity by the Partnership. The Partnership indemnifies each Partner against liabilities properly incurred by that Partner in the ordinary and proper conduct of the Business, or in doing anything necessary to preserve the Business or its property.

25.5 Proceedings against the Partnership. If the Partnership is sued and a plaintiff calls for the full names and residential addresses of the Partners, the Managing Partner will deliver the required notice within the 10 days that the court rules allow, and will notify every Partner of the proceedings immediately.

25.6 No limitation towards third parties. Nothing in this clause limits the rights of a creditor of the Partnership. It regulates only the rights of the Partners among themselves.

26. Insurance

26.1 Cover. The Partnership will take out and maintain, with a reputable insurer registered in South Africa, the following insurance: [Insurance cover: _____]. The premiums are expenses of the Partnership.

26.2 Key person and buy-and-sell cover. The Partners may agree in Schedule C on life and disability policies on each Partner's life to fund the payment due to an Outgoing Partner or his or her estate. The Partners will record who owns each policy, who pays the premiums and how the proceeds are applied.

26.3 Claims. The Managing Partner will notify the insurer of every claim or circumstance that may give rise to a claim within the time the policy requires, and will tell the Partners. No Partner may do anything that may void a policy.

26.4 Review. The Partners will review the insurance once in each Financial Year.

27. Admission of new partners and continuation

27.1 Admission. A new Partner may be admitted only by Unanimous Resolution, on the terms (including the capital contribution and Profit Share) set out in that resolution.

27.2 Deed of adherence. A new Partner is admitted on signing a deed of adherence in which he or she agrees to be bound by this Agreement as a Partner. The Profit Shares of the existing Partners are reduced as the resolution states, and Schedules A and B are updated.

27.3 Liability for earlier debts. Unless the Partners and the new Partner agree otherwise in writing, the new Partner is not liable to the other Partners for any share of a debt of the Partnership incurred before his or her admission.

27.4 Continuation. The Partners record that, at common law, a partnership legally dissolves whenever a partner joins or leaves. They agree that, when a Partner is admitted or a Partner ceases to be a Partner for any reason, the Partners who remain (together with any new Partner) continue the Business as a new partnership on the terms of this Agreement, which apply to that new partnership with the necessary changes. The assets, liabilities, contracts, goodwill, accounts and records of the earlier partnership pass to the new partnership without interruption, and each Partner will sign any document needed to give effect to this.

27.5 Notice to third parties. On every admission or exit, the Managing Partner will notify the Partnership's bankers, SARS (through the SARS Representative), insurers, landlord, regular

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customers and suppliers, and any licensing authority of the change in the Partners.

28. Restriction on cession and encumbrance

28.1 No transfer. No Partner may sell, cede, assign, transfer, pledge or otherwise encumber his or her interest in the Partnership, or any right to profits or capital, without the prior written consent of all the other Partners.

28.2 Effect of a permitted cession. A person who receives a Partner's right to profits or capital with consent does not become a Partner and has no right to take part in management or to inspect the books, unless admitted under clause 27.

28.3 Void transfers. A transfer or encumbrance made in breach of this clause is void as against the Partnership and the other Partners, and is a ground for expulsion under clause 30.

28.4 Attachment. If a Partner's interest in the Partnership is attached under a court order and the attachment is not lifted within 30 days, the other Partners may treat that Partner as an Outgoing Partner from the end of that period, and clause 32 applies.

29. Voluntary retirement and notice

29.1 Notice. A Partner may retire from the Partnership by giving all the other Partners at least **[Retirement notice (months): _____]** months' written notice. Unless the Partners agree otherwise, the retirement takes effect at the end of the month in which the notice period expires.

29.2 Earliest date. Unless the other Partners agree, no notice of retirement may take effect before [Earliest date a retirement may take effect: _____] after the Commencement Date.

29.3 Continuation. Retirement of a Partner does not dissolve the Business between the Remaining Partners. Clause 27.4 applies, and the Remaining Partners buy the Outgoing Partner's interest under clause 32.

29.4 Duties during notice. During the notice period the retiring Partner continues to perform his or her duties, helps transfer clients and work to the Remaining Partners, and keeps his or her drawings and remuneration.

29.5 Garden leave. The Remaining Partners may by Special Resolution relieve the retiring Partner of all or part of his or her duties during the notice period while continuing to pay his or her drawings and remuneration.

30. Expulsion for cause

30.1 Grounds. The other Partners may, by Unanimous Resolution of all the Partners other than the Partner concerned, expel a Partner by written notice if that Partner:

(a) commits a material breach of this Agreement and does not remedy it within 21 days after written notice requiring him or her to do so, or commits a material breach that cannot be remedied;

(b) is guilty of fraud, dishonesty, theft or misappropriation of Partnership property, whether or not convicted;

(c) is convicted of an offence involving dishonesty, or is sentenced to imprisonment without the option of a fine;

(d) is removed from, or suspended for more than 60 days from, a professional register or licence needed for the Business;

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(e) is a Defaulting Partner who remains in default 30 days after notice under clause 10.3;

(f) behaves in a way that seriously harms the reputation or goodwill of the Business; or

(g) without good cause, persistently neglects his or her duties under Schedule B after written warning.

30.2 Procedure. Before expelling a Partner, the other Partners will give him or her written notice of the grounds and at least seven days to make written representations, and will consider those representations in good faith.

30.3 Effect. Expulsion takes effect on the date stated in the notice of expulsion, which may be the date of delivery. The expelled Partner becomes an Outgoing Partner, clause 27.4 applies, and the Remaining Partners buy his or her interest under clause 32, subject to clause 32.6.

30.4 Challenges. A dispute about whether a ground for expulsion exists is resolved under clause 38. Pending that decision, the expulsion stands, but the payment to the expelled Partner under clause 32 is adjusted if the expulsion is set aside.

31. Death, incapacity or sequestration

31.1 Death. If a Partner dies, he or she becomes an Outgoing Partner on the date of death. The deceased Partner's executor has no right to take part in the Business or to become a Partner, but is entitled to the payment due under clause 32.

31.2 Incapacity. If a Partner becomes unable, because of physical or mental illness or injury, to perform his or her duties for a continuous period of [Months of incapacity before exit: _____] months, or for more than that number of months in total in any period of 12 months, the other Partners may by written notice treat him or her as an Outgoing Partner from a date stated in the notice. A curator appointed to a Partner has no right to take part in management.

31.3 Sequestration of a Partner. If the estate of a Partner is provisionally or finally sequestrated, or a Partner surrenders his or her estate, or enters into a compromise with his or her creditors generally, that Partner becomes an Outgoing Partner on the date of the order or compromise, and the trustee is entitled only to the payment due under clause 32.

31.4 Sequestration of the Partnership. The Partners record that, if a court sequestrates the estate of the Partnership, provisionally or finally or on acceptance of surrender, the court must also sequestrate the estate of every Partner, unless that Partner has undertaken to pay the debts of the Partnership within a period determined by the court and has given security for that payment to the satisfaction of the registrar. Each Partner will therefore:

(a) tell the other Partners immediately if he or she becomes aware of any application, or threatened application, for the sequestration of the Partnership's estate;

(b) take part in good faith in any attempt to settle or compromise the Partnership's debts before sequestration; and

(c) be free to give the undertaking and security to protect his or her own estate, and claim contribution from the other Partners under clause 25.3 for any payment made under it beyond his or her share.

31.5 Continuation. The death, incapacity or sequestration of a Partner does not end the Business between the Remaining Partners. Clause 27.4 applies.

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32. Valuation and buyout of an outgoing partner

32.1 Obligation to buy. When a Partner becomes an Outgoing Partner, the Remaining Partners buy, and the Outgoing Partner sells, his or her entire interest in the Partnership, in proportion to the Remaining Partners' Profit Shares unless they agree otherwise.

32.2 Effective date. The interest is valued as at the last day of the month in which the Partner became an Outgoing Partner (the "**Valuation Date**").

32.3 Price. The price is the sum of:

(a) the credit balance on the Outgoing Partner's Capital Account and Current Account on the Valuation Date;

(b) the Outgoing Partner's Profit Share of the goodwill of the Business and of the amount by which the fair value of the Partnership's other assets exceeds their book value, calculated under Schedule C; and

(c) the balance of any loan account,

less any debit balance on those accounts, any amount the Outgoing Partner owes the Partnership, and his or her Profit Share of any amount by which the book value of the Partnership's assets exceeds their fair value.

32.4 Valuation. The Accountant prepares accounts as at the Valuation Date within 60 days, and the fair value is determined under Schedule C. The Accountant acts as an expert and not as an arbitrator, and his or her determination binds the parties except in the case of manifest error or fraud.

32.5 Payment. The price is paid in [Buyout instalments: _____], the first instalment 30 days after the price is determined. The unpaid balance bears interest at the Prescribed Rate from the Valuation Date. The Remaining Partners may pay early without penalty. Any proceeds of a policy under clause 26.2 are applied first in payment of the price.

32.6 Expelled Partner. If a Partner is expelled under clause 30.1(b) or (c), the amount under clause 32.3(b) for goodwill is reduced by [Goodwill reduction on expulsion for dishonesty (per cent): _____] per cent, as a reasonable pre-estimate of the harm caused to the goodwill of the Business.

32.7 Acceleration. If the Remaining Partners fail to pay an instalment within 14 days after written notice of non-payment, the full unpaid balance becomes due immediately.

32.8 Prescription. Each instalment is a separate debt that falls due on its payment date. The Partners record that an ordinary debt between them prescribes three years after it becomes due, so an Outgoing Partner should claim any unpaid instalment within that period.

32.9 Security. The Remaining Partners will give the security for the unpaid price that is described in Schedule C. Any security over immovable property or a suretyship given by a Partner married in community of property needs the spousal consent required by clauses 9.6 and 18.4.

33. Effect of exit

33.1 Release from Partnership debts. The Remaining Partners will use their best efforts to have the Outgoing Partner released from every suretyship and personal liability he or she gave for the Partnership, within 90 days after the Valuation Date. Until that release, the Remaining Partners indemnify the Outgoing Partner against all Partnership debts, except those the Outgoing Partner must

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bear alone under clause 25.2.

33.2 Continuing liability. The Outgoing Partner remains liable to creditors for debts of the Partnership incurred before he or she ceased to be a Partner, subject to the indemnity in clause 33.1. If proceedings are brought against the Partnership after it has dissolved, the Partners record that the proceedings may continue against the persons alleged or stated to be partners as if sued individually, and the indemnities in this Agreement continue to apply.

33.3 Notice to creditors. Within 14 days after a Partner ceases to be a Partner, the Remaining Partners will notify the persons listed in clause 27.5 in writing, and may publish a notice in a newspaper circulating in the area of the place of business, so that third parties know that the Outgoing Partner no longer has authority to bind the Partnership.

33.4 Return of property. The Outgoing Partner will, on the date he or she ceases to be a Partner, return all Partnership property, keys, access cards, devices and records, and will give the Remaining Partners all passwords and credentials for Partnership systems.

33.5 Surviving terms. Clauses 23.7, 24, 25, 32, 33, 34, 35 and 38 continue to bind an Outgoing Partner.

34. Confidentiality

34.1 Confidential Information. "**Confidential Information**" means all information relating to the Business, its clients, suppliers, staff, pricing, finances, methods, know-how, plans and the terms of this Agreement, that is not generally available to the public, in any form.

34.2 Duty. Each Partner will keep the Confidential Information secret, use it only for the Business, and disclose it only to staff and advisers who need to know it and are bound by a duty of confidentiality.

34.3 Exceptions. The duty does not apply to information that becomes public without a breach of this clause, or that a Partner must disclose by law, a court order or the rules of a stock exchange or regulator, provided that the Partner gives the other Partners prompt notice where the law allows.

34.4 Personal information. The Partners will process personal information of clients, staff and others lawfully, in line with the Protection of Personal Information Act 4 of 2013, and will designate one of them to deal with data protection matters for the Business.

34.5 Duration. This clause continues to bind each Partner for [Years confidentiality lasts after exit: _____] years after he or she ceases to be a Partner, and indefinitely for trade secrets and personal information.

35. Restraint of trade and non-solicitation

35.1 Restraint. For [Restraint period (months): _____] months after a Partner ceases to be a Partner (the "**Restraint Period**"), that Partner will not, in **[Restraint area: _____]**, directly or indirectly carry on, be employed by, or be interested in any business that competes with the Business as carried on at the date he or she ceased to be a Partner.

35.2 Non-solicitation. During the Restraint Period, the Outgoing Partner will not solicit or accept business from any person who was a client of the Partnership during the 12 months before the Outgoing Partner left, nor induce any employee or supplier of the Partnership to leave it or reduce its dealings with it.

35.3 Reasonableness. Each Partner acknowledges that the restraint protects the goodwill and

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Confidential Information of the Business, which he or she shares in and is paid for under clause 32, and that it is reasonable in its scope, area and duration.

35.4 Separate restraints. Each restraint in this clause, and each period, area and activity, is a separate restraint. If a court finds any of them unenforceable, the rest remain in force, and the court may enforce a narrower restraint.

35.5 Passive investment. This clause does not prevent an Outgoing Partner from holding not more than 5 per cent of the listed securities of a company.

36. Dissolution

36.1 Events. The Partnership is dissolved, and must be wound up under clause 37, only:

(a) by Unanimous Resolution;

(b) at the end of any fixed period stated in clause 8.2, unless the Partners agree to continue it;

(c) if only one Partner remains and he or she does not admit a new Partner within 90 days;

(d) if the estate of the Partnership is sequestrated; or

(e) by order of court.

36.2 Change of Partners. The admission of a Partner or the retirement, expulsion, death, incapacity or sequestration of a Partner does not lead to the winding up of the Business. Although the common law treats each such event as dissolving the partnership, clause 27.4 applies and the Business continues without winding up.

36.3 Sole remaining Partner. If only one Partner remains, that Partner may continue the Business as a sole proprietor and buy the interest of the Outgoing Partner under clause 32, instead of winding up the Partnership.

37. Winding up and liquidator

37.1 Liquidator. When the Partnership is dissolved under clause 36.1(a), (b), (c) or (e), the Partners will appoint a liquidator by Special Resolution within 14 days. If they fail to do so, any Partner may ask [Person who appoints a valuer or liquidator: _____] to nominate an independent liquidator. A Partner may act as liquidator.

37.2 Duties. The liquidator will, as quickly as is reasonably possible:

(a) complete pending work and collect the debts owed to the Partnership;

(b) sell the assets of the Partnership, including its goodwill, at the best price reasonably obtainable, giving each Partner the right to make an offer;

(c) pay the debts of the Partnership in this order: creditors who are not Partners; Partner loans; the credit balances on the Partners' Current Accounts; and the credit balances on the Partners' Capital Accounts;

(d) distribute any balance to the Partners in their Profit Shares; and

(e) prepare final accounts and give them to each Partner.

37.3 Shortfall. If the assets are insufficient to pay the creditors and Partner loans, the Partners contribute the shortfall in their loss shares, and a Partner with a debit balance on any account pays it to the liquidator within 30 days after demand.

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37.4 Authority during winding up. During the winding up, the Partners may bind the Partnership only as needed to complete existing transactions and wind up the Business, and only with the liquidator's approval.

37.5 Sequestration. If the estate of the Partnership is sequestrated, the trustee appointed under the Insolvency Act 24 of 1936 administers the estate and this clause does not apply, but clauses 25 and 31.4 continue to regulate the rights of the Partners among themselves.

37.6 Records. On completion of the winding up, the liquidator delivers the books and records to the Partner chosen by the Partners, who keeps them for the period in clause 23.6 and gives every other Partner access to them.

38. Dispute resolution

38.1 Negotiation. If a dispute arises out of or in connection with this Agreement, including its interpretation, breach, termination, validity or the amount due to an Outgoing Partner, any Partner may give the others written notice of it. The Partners concerned will meet within 10 Business Days and try in good faith to resolve it.

38.2 Mediation. If the dispute is not resolved within 20 Business Days after the notice, any Partner may refer it to mediation by a mediator agreed by the Partners or, failing agreement within five Business Days, nominated by [Mediation and arbitration body: _____]. The mediation is confidential and without prejudice.

38.3 Arbitration. If the dispute is not resolved within 30 Business Days after the mediator's appointment, any Partner may refer it to final and binding arbitration. The arbitration will be held in [Seat of arbitration: _____], in English, before one arbitrator who is a practising advocate or attorney of at least 10 years' standing, agreed by the parties or, failing agreement within 10 Business Days, appointed by [Mediation and arbitration body: _____], and in accordance with its rules for the time being. The Arbitration Act 42 of 1965 applies.

38.4 Written agreement. This clause is a written arbitration agreement. Unless all the Partners agree otherwise, it cannot be terminated except by consent of all the Partners, and it survives the termination of this Agreement, the exit of any Partner and the dissolution of the Partnership.

38.5 Urgent relief. Nothing in this clause prevents a Partner from applying to court for urgent interim relief.

38.6 Business continues. While a dispute is being resolved, the Partners continue to perform their obligations under this Agreement.

39. Governing law and jurisdiction

39.1 Law. This Agreement is governed by the law of the Republic of South Africa.

39.2 Jurisdiction. Subject to clause 38, the Partners consent to the jurisdiction of the **[High Court division: _____]** for any proceedings arising from this Agreement, including urgent interim relief and the enforcement of an arbitration award. This does not prevent a Partner from bringing proceedings in any other South African court that has jurisdiction.

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40. Domicilium and notices

40.1 Domicilium. Each Partner chooses the physical address stated for him or her in clause 1.1 as his or her *domicilium citandi et executandi* (address for service of legal process and notices), and the email address stated in Schedule A for notices other than legal process.

40.2 Change. A Partner may change his or her *domicilium* to another physical address in South Africa, or change his or her email address, by written notice to the other Partners, effective seven days after delivery.

40.3 Delivery. A notice under this Agreement must be in writing. It is treated as received:

(a) if delivered by hand to the *domicilium*, on the day of delivery;

(b) if sent by registered post, on the seventh Business Day after posting; and

(c) if sent by email, on the first Business Day after it was sent, unless the sender receives an automated message that it was not delivered.

40.4 Actual receipt. A written notice actually received by a Partner is adequate notice even if it was not sent to his or her *domicilium*.

41. Amendment

41.1 Non-variation. No amendment of or addition to this Agreement, including this clause, and no agreement to cancel it, is valid unless it is in writing and signed by all the Partners.

41.2 Electronic signature. For clause 41.1, "signed" means signed by hand or by an advanced electronic signature, or by any other electronic signature that the Partners have all agreed in writing to use for this purpose. An exchange of ordinary emails or instant messages is not a signed amendment.

41.3 Updating Schedules. The Managing Partner will update Schedules A, B and C after each change approved under this Agreement and circulate the updated Schedules to all Partners for signature.

42. Whole agreement, waiver, severability and costs

42.1 Whole agreement. This Agreement is the whole agreement between the Partners about the Partnership. No representation, warranty or undertaking not recorded in it binds any Partner. This Agreement replaces every earlier oral or written agreement between the Partners on the same subject.

42.2 No waiver. No indulgence, extension of time or failure to enforce a right is a waiver of that right or prevents a Partner from enforcing it later. A waiver is valid only if in writing and signed by the Partner giving it.

42.3 Severability. Each provision of this Agreement is separate. If any provision is found invalid or unenforceable, it is severed and the rest of this Agreement remains in force.

42.4 Costs. Each Partner bears his or her own costs of negotiating this Agreement, except that the costs of preparing the final version are an expense of the Partnership. A Partner who breaches this Agreement pays the legal costs reasonably incurred by the other Partners to enforce it, on the scale as between attorney and own client.

42.5 Force majeure. A Partner is not in breach of an obligation to render services to the extent that performance is prevented by an event beyond his or her reasonable control, such as a natural disaster, epidemic, war, riot, extended loadshedding or failure of public infrastructure, provided that he or she

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notifies the other Partners promptly and takes reasonable steps to limit the effect. This does not excuse an obligation to pay money.

42.6 Limitation of liability between Partners. No Partner is liable to another Partner for indirect or consequential loss arising from a breach of this Agreement, except where the breach involves fraud, dishonesty, gross negligence or a breach of clause 20.3, 34 or 35.

42.7 Independent advice. Each Partner confirms that he or she has had the opportunity to obtain independent legal, tax and financial advice before signing this Agreement.

42.8 Further acts. Each Partner will sign all documents and do everything reasonably necessary to give effect to this Agreement.

43. Counterparts and electronic signature

43.1 Counterparts. This Agreement may be signed in counterparts, each of which is an original and which together form one agreement.

43.2 Electronic agreement. The Partners record that an agreement concluded by data messages is not without legal force merely because of that, and agree that this Agreement may be concluded electronically.

43.3 Electronic signature. The Partners agree that this Agreement, a deed of adherence and any written resolution may be signed with an electronic signature that identifies the signatory and indicates his or her approval of the document, and that is as reliable as appropriate for the purpose. A scanned copy of a handwritten signature has the same effect as an original.

43.4 Documents the law requires to be signed. Where a law requires a document to be signed without stating the type of signature, an electronic signature meets that requirement only if it is an advanced electronic signature. The spousal consent in the Annexure is therefore signed by hand, or with an advanced electronic signature, by the spouse and both witnesses.

44. Spousal consent

44.1 Disclosure. Each Partner has disclosed his or her marital status and matrimonial property regime in clause 1.1.

44.2 When consent is needed. A Partner married in community of property needs the written consent of his or her spouse before he or she:

(a) contributes to the Partnership, mortgages, or burdens with a servitude or other real right, any immovable property that forms part of the joint estate;

(b) binds himself or herself as surety, including for the Partnership's bank facilities or the obligations of the Remaining Partners under clause 32.9, unless this is done in the ordinary course of his or her profession, trade or business; or

(c) alienates, cedes or pledges any shares, stock, debentures, insurance policies, mortgage bonds, fixed deposits, investments or similar assets that form part of the joint estate, including a policy ceded under clause 26.2, unless this is done in the ordinary course of his or her profession, trade or business.

44.3 Form. The consent for an act under clause 44.2(a) or (b) must be given separately for each act and attested by two competent witnesses. The consent for an act under clause 44.2(c) must be in writing but needs no witnesses, and may be given by ratification within a reasonable time after the act. A general consent to the Partnership, or a signature on this Agreement by the spouse, is not

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enough. The Partners will use the form in the Annexure for each act.

44.4 Failure to obtain consent. A Partner who does not obtain a consent required under this clause indemnifies the other Partners against any loss caused by that failure. The Partnership may refuse an act that needs consent until the consent is delivered.

44.5 Other regimes. A Partner married out of community of property, with or without the accrual system, or under the law of another country, will tell the other Partners if any law or contract requires his or her spouse's consent for an act under this Agreement.

Signed by the Partners on the dates and at the places shown below. Each Partner confirms that he or she has read and understood this Agreement and its Schedules and Annexure, and has received a complete copy.

Partner 1: [Partner 1 full name: _____]
Signature:
Place: [Place of signing: _____]
Date:

As witnesses:\

1. Name and signature:\
2. Name and signature:

Partner 2: [Partner 2 full name: _____]
Signature:
Place: [Place of signing: _____]
Date:

As witnesses:\

1. Name and signature:\
2. Name and signature:

Each further original Partner named in Schedule A:
Name:
Signature:
Place:
Date:

As witnesses:\

1. Name and signature:\
2. Name and signature:

The witnesses to the Partners' signatures are not required by law for this Agreement, but help to prove the signatures. The spousal consent in the Annexure needs its own two witnesses.

SCHEDULE A: PARTNERS AND CAPITAL CONTRIBUTIONS

1. Partner 1: [Partner 1 full name: _____]

Email for notices: [Partner 1 email for notices: _____]
Cash contribution: [Partner 1 cash contribution: _____]
Property contributed (description, agreed value, encumbrances): [Partner 1 property contributed: _____]

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Property made available for use only: [Partner 1 property for use only: _____]
Labour and skill contributed (and any agreed value): [Partner 1 labour and skill: _____]
Pre-existing intellectual property and licence terms: [Partner 1 pre-existing intellectual property: _____]

2. Partner 2: [Partner 2 full name: _____]

Email for notices: [Partner 2 email for notices: _____]
Cash contribution: [Partner 2 cash contribution: _____]
Property contributed (description, agreed value, encumbrances): [Partner 2 property contributed: _____]
Property made available for use only: [Partner 2 property for use only: _____]
Labour and skill contributed (and any agreed value): [Partner 2 labour and skill: _____]
Pre-existing intellectual property and licence terms: [Partner 2 pre-existing intellectual property: _____]

3. Further original Partners. Give the same details, with the identity number, address and marital regime of each: [Further original partners: _____]

4. Opening Capital Account balances: [Opening capital account balances: _____]

5. Spousal consents required for contributions under clause 9.6: [Spousal consents needed for contributions: _____]

SCHEDULE B: PROFIT SHARES, DRAWINGS, ROLES AND LIMITS

1. Profit Shares

Partner 1: [Partner 1 profit share (per cent): _____] per cent
Partner 2: [Partner 2 profit share (per cent): _____] per cent
Further Partners: [Further partners' profit shares: _____]
Total: 100 per cent

2. Different loss shares, if any: [Different loss shares: _____]

3. Monthly drawings

Partner 1: [Partner 1 monthly drawings: _____]
Partner 2: [Partner 2 monthly drawings: _____]
Percentage of drawings kept aside for provisional tax (clause 14.4): [Provisional tax set-aside: _____]

4. Monthly remuneration (clause 15), if any

Partner 1: [Partner 1 monthly remuneration: _____]
Partner 2: [Partner 2 monthly remuneration: _____]

5. Roles, time commitment and permitted outside activities

Partner 1: [Partner 1 role and time: _____]
Partner 2: [Partner 2 role and time: _____]

6. Limits. Borrowing limit without a Unanimous Resolution: [Borrowing limit: _____]. Contract value limit under clause 17.1(g): [Contract value limit: _____]. Litigation and settlement limit under clause 17.1(h): [Litigation and settlement limit: _____].

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7. Further reserved matters: [Further reserved matters: _____]

SCHEDULE C: VALUATION METHOD AND BUYOUT TERMS

1. Fair value of assets. The fair value of each asset is the price at which it would change hands on the Valuation Date between a willing buyer and a willing seller, both reasonably informed and neither under compulsion, on the basis that the Business continues as a going concern.

2. Goodwill. The goodwill of the Business is valued at [Goodwill valuation method: _____]. No discount applies because the interest is a minority interest or is not freely transferable.

3. Agreed annual value. The Partners may, within three months after the approval of each set of annual financial statements, sign a certificate stating the agreed value of the goodwill. A certificate signed within 15 months before the Valuation Date determines the goodwill under item 2, adjusted for material changes since its date, unless a Partner shows that it is manifestly unfair.

4. Independent valuer. If the Outgoing Partner and the Remaining Partners do not agree on any value within 30 days after the Accountant's accounts are delivered, either side may ask [Person who appoints a valuer or liquidator: _____] to appoint an independent chartered accountant or valuer. The valuer acts as an expert and not as an arbitrator, considers written submissions from both sides, and delivers a reasoned valuation within 45 days. The valuation binds both sides except for manifest error or fraud. The Partnership and the Outgoing Partner share the valuer's fees equally.

5. Security for the unpaid price: [Security for the buyout price: _____]

6. Life and disability policies (clause 26.2): [Buyout life and disability policies: _____]

ANNEXURE: SPOUSAL CONSENT IN TERMS OF SECTION 15 OF THE MATRIMONIAL PROPERTY ACT 88 OF 1984

Use a separate copy of this form for each act that needs consent.

I, **[Spouse's full name: _____]**, identity number [Spouse's identity number: _____], am married in community of property to **[Partner whose spouse consents: _____]** (the "Partner"), a Partner in **[Partnership name: _____]**.

I confirm that I have read the Partnership Agreement, or the relevant clauses of it, and that I understand the act described below and its consequences for our joint estate.

In terms of section 15 of the Matrimonial Property Act 88 of 1984, I give my written consent to the following act by the Partner, and to that act only:

[Act consented to: _____]

This consent is given separately for this act. It does not apply to any other act, and it does not make me a Partner.

Signed at [Place spouse signs: _____] on [Date spouse signs: _____].

Signature of spouse:

As witnesses (two competent witnesses, both present when the spouse signs):

1. Full name:
   Signature:

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2.

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.

Full name:
Signature:

Downloaded from legaldraftapp.com. General information, not legal advice. Have a qualified lawyer review this document before you rely on it.