

PARTNERSHIP AGREEMENT QUESTIONNAIRE

Section A: Details of Partners		
Name of Partner 1 <i>If a partner is a company or a trust, include:</i> (a) <i>the full company name or trust name and the ACN or ABN e.g. John Smith Pty Ltd ACN 123 456 789 as trustee for the John Smith Family Trust; and</i> (b) <i>full name of individual who controls Partner 1 e.g. John Smith</i>		
	ACN:	Individual:
Address of Partner 1		
Partner 1's percentage interest in partnership		
Name of Partner 2 <i>If a partner is a company or a trust, include:</i> (c) <i>the full company name or trust name and the ACN or ABN e.g. John Smith Pty Ltd ACN 123 456 789 as trustee for the John Smith Family Trust; and</i> (d) <i>full name of individual who controls Partner 2 e.g. John Smith</i>		
	ACN:	Individual:
Address of Partner 2:		
Partner 2's percentage interest in partnership		
Name of Partner 3 <i>If a partner is a company or a trust, include:</i> (e) <i>the full company name or trust name and the ACN or ABN e.g. John Smith Pty Ltd ACN 123 456 789 as trustee for the John Smith Family Trust; and</i> (f) <i>full name of individual who controls Partner 3 e.g. John Smith</i>		
	ACN:	Individual:
Address of Partner 3:		
Partner 3's percentage interest in partnership		
Name of Partner 4 <i>If a partner is a company or a trust, include:</i> (g) <i>the full company name or trust name and the ACN or ABN e.g. John Smith Pty Ltd ACN 123 456 789 as trustee for the John Smith Family Trust; and</i> (h) <i>full name of individual who controls Partner 4 e.g. John Smith</i>		
	ACN:	Individual:
Address of Partner 4:		
Partner 4's percentage interest in partnership		

Section B: Details of Partnership	
When did the partnership commence or when will it commence?	
Nature of business carried on by the partnership	
Trading name and ABN of the partnership	Name:
	ABN:
Address(es) from which partnership carries on business	
Does the partnership business operate through a management entity? If so, provide name and ACN/ABN	Name:
	ACN/ ABN:
Has the partnership appointed another related entity to provide services, personnel, premises, technology etc? <i>For example: John Smith Pty Ltd as trustee for the Smith Services Unit Trust</i> If yes, provide name and ABN of the related entity. If you are not sure, can we contact your accountant to confirm partnership structure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Name:
	ABN:
Partnership bank details	Account Name:
	Bank:
	Address:
Partnership accountant's details	Name of Company:
	Address:
	Contact phone number:
	Contact person:

Section C: Assets of the partnership	
Does the partnership own or lease the business premises? <i>If leased, provide details of lessee (for example, is the business premises leased to the partnership service entity, if any)</i>	
Is any material asset used by the partnership owned by one or more of the partners but not all of them? <i>For example, sometimes business premises are leased to the partnership by one or more of the partners or their related entities such as a superannuation fund</i>	

Section D: Decision Making

How will the partnership make decisions? Please see below for a range of alternatives. Please tick the decision making mechanism most appropriate to your partnership.

- Each partner has one vote irrespective of their partnership interest
- All decisions must be unanimous
- Majority vote prevails based on one person, one vote

- Majority vote prevails based on partnership interests *(i.e. each partner has that number of votes equating to the partner's partnership interest)*
- Majority vote prevails based on partnership interests on most decisions but some key matters will be decided by unanimous or special resolution *(such key decisions could include decisions to change the scope or nature of the partnership business, selling a material part of the partnership business or admitting a new partner)*
- Other decision making mechanism *(please describe):*

How will partners resolve deadlock? Tick box or boxes that is/are most appropriate to your partnership

- Will partners be required to mediate any deadlock or dispute?
- Will any partner have an option to buy-out the other partner or partners if material deadlock remains unresolved?
- Will a material deadlock lead to dissolution of the partnership (i.e. sale of the partnership business and winding up of the partnership)?

Section E: Expected contribution by each partner

On what terms would a partner be able to take substantial leave?
E.g. Maternity leave or sabbatical leave

- By agreement
- If so, unanimous (i.e. all partners agree)
- Pre-agreed mechanism. Please specify:

Would a partner taking leave still share in the profits of the partnership in the same proportion during their absence with only their salary being adjusted OR will both salary and profits of the absent partner be adjusted?

- Share in profit but salary adjusted
- Both profit and salary adjusted
- Other *(please specify)*

Are all partners expected to work in the partnership business full time?

- Yes No

If no, on what basis is each partner's contribution to the business determined?

How regular will profits be drawn by partners?

How will changes to drawings policy be determined?

- Agreement of all partners
- Majority vote
- Other decision making mechanism referred to in Section D

Section F: Competition		
Will the partners be prohibited from having an interest in a business which might compete with the partnership's business?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comment:

Section G: Transfers of partnership interests		
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Will the partners be restricted from transferring their interests in the partnership?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comment:
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If a partner wishes to transfer some or all of their interest in the partnership, must the transferring partner first offer their interest to the other partners? <i>(i.e. will the partners have pre-emption rights?)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	Comment:
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If pre-emption rights are granted but not exercised, will a transferring partner be entitled to sell their partnership interest to a third party or must the third party first be approved by the other partners? <i>A partner with a substantial majority in the partnership may want to reserve the right to sell some or all of their interest to other third parties without the approval of the other partner.</i>	<input type="checkbox"/> Transferring partner needs approval <input type="checkbox"/> Transferring partner does not need approval
	Comment:

Will a partner have an option to increase their partnership interest over time? <i>For example, sometimes a minority partner will have the right to increase their interest over time.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If yes, on what basis will a partner have that right?	
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What happens when a partner retires (or wants to retire) and the remaining partners do not have the financial capacity or do not wish to purchase the interests of the retiring party? Please tick box or boxes that is/are most appropriate to your partnership <input type="checkbox"/> Partners will endeavour to agree on retirement terms. If agreement is not reached, the retiring partner may give notice of their retirement. If this applies, please specify period of notice: _____ <input type="checkbox"/> Notice of retirement leads to the right for the other partners to acquire the retiring partner's interest at fair value. <input type="checkbox"/> Continuing partners will have a reasonable period of time to pay for the retiring partner's interest. If this applies, please specify period and interest payable (if any): Period: _____ Interest payable: _____ <input type="checkbox"/> If continuing partners fail to exercise the buy-out right, any partner can force the dissolution of the partnership <input type="checkbox"/> Other mechanism (please specify): _____
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Will the death or total and permanent disablement of a partner lead to:

- the sale of that partner's interests to the remaining partners
- the dissolution of the partnership

Will the partners take out (or have they taken out) insurance over their lives to help fund the purchase of a deceased or disabled partner's interest?

- Yes
- No

Section H: Other events that might lead to the sale of a partner's interest

Please tick if any of these should lead to the expulsion of a partner from the partnership and the sale of their interest to the other partners:

- bankruptcy or insolvency of a partner
- breach by a partner of their partnership obligations
- loss of any registration or qualification necessary to provide services on behalf of the partnership
- mental incapacity
- sickness or disability for an extended period of time *(if applicable, please specify the period e.g. 3 months in any 12 month period)*
Period: _____
- absence from the partnership business without approval for an extended period of time *(if applicable, please specify the period e.g. 4 weeks in any 12 month period)*
Period: _____

Section I: Valuation of the partnership business for the purposes of a buy-out

How will a partnership interest be valued for the purposes of any options or buy-out rights? Please tick box or boxes that is/ are to apply to your partnership.

- Partners endeavour to agree on value
- Value as determined by partnership's accountant
- If failure to agree, value determined by independent valuer
- Other mechanism (please specify):

Section J: Restrictive Covenant

If a partner leaves or retires from the partnership, will they be subject to a restrictive covenant preventing them from carrying on a business that is competitive with the partnership business or soliciting or canvassing a client or customer of the partnership business?

- Yes
- No

If so, please provide the maximum period of restraint and the maximum territory

Period:
Territory: