

**RUDRA LEGAL CORPORATION PTY LTD TRADING AS LAWBANK**

**AND**

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**PARTNERSHIP AGREEMENT**

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**Rudra Legal Corporation Pty Ltd**  
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**THIS AGREEMENT** dated            day of            2019

**BETWEEN Rudra Legal Corporation Pty Ltd ACN 163 240 319 trading as  
LAWBANK** of 1/67 Scott Street, Liverpool, New South Wales (**Partner**)

**AND**            of (**Partner**)

## **RECITALS**

**A.**        The parties have carried on the business of            since            and now wish to reduce their agreements to writing.

**OR**

**B.**        The parties wish to carry on the business of            in partnership and wish to reduce their agreements to writing.

## **OPERATIVE PART**

### **1.        Interpretation**

This agreement is governed by the laws of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of that state.

In the interpretation of this agreement:

- (a)        References to legislation or provisions of legislation include changes or re-enactments of the legislation and statutory instruments and regulations issued under the legislation;
- (b)        Words denoting the singular include the plural and vice versa, words denoting individuals or persons include bodies corporate and vice versa, references to documents or agreements also mean those documents or agreements as changed, novated or replaced, and words denoting one gender include all genders;
- (c)        Grammatical forms of defined words or phrases have corresponding meanings;
- (d)        Parties must perform their obligations on the dates and times fixed by reference to the capital city of New South Wales;
- (e)        Reference to an amount of money is a reference to the amount in the lawful currency of the Commonwealth of Australia;
- (f)        If the day on or by which anything is to be done is a Saturday, a Sunday or a public holiday in the place in which it is to be done, then it must be done on the next business day;

- (g) References to a party are intended to bind their executors, administrators and permitted transferees; and
- (h) Obligations under this agreement affecting more than one party bind them jointly and each of them severally.

**2. Applicable legislation**

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The partners acknowledge that the Partnership Act gives partners certain rights and imposes on partners, certain obligations and the partners agree that to the extent this agreement is inconsistent with such rights and obligations, this agreement shall prevail.

**3. Duration of the partnership**

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The partnership [ starts **OR** started ] on \_\_\_\_\_ and will continue until the dissolution date. If a partner retires from the partnership but at least two partners remain, the partnership will continue.

**4. Bankers, solicitors, accountants and premises**

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- (a) The bankers of the partnership are \_\_\_\_\_ .
- (b) The signatures of any two partners are required for all cheques unless otherwise agreed by all partners. All money received for the partnership must be deposited into the partnership account. Partners' private accounts must not be used to transact partnership business.
- (c) The solicitors of the partnership are \_\_\_\_\_ .
- (d) The accountants of the partnership are \_\_\_\_\_ .
- (e) The partnership business will be carried on at \_\_\_\_\_ and at any other premises which the partners agree.

**5. Capital and income**

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- (a) The capital of the partnership will be contributed from time to time by the partners in equal shares and the assets of the partnership will belong to the partners in the following shares:

Partner name	Share in partnership
	%

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- (b) The profits of the partnership and any losses will be shared between the partners in the same proportions as their respective shares in the partnership.
  - (c) If from time to time a partner makes an advance to the partnership over and above their capital contribution, then the partners shall before such advance is made agree upon the terms applicable to such advance and in particular the interest payable thereon.
  - (d) Each partner will be entitled to draw from the partnership bank account on account of profits such amount at such times as all the partners agree.
  - (e) Each partner shall be entitled to be fully reimbursed for all expenditures made by them on behalf of the partnership.
  - (f) If as a result of their position as a partner of the firm, a partner derives income from any appointment or any other position or employment, then that income is agreed to be income of the partnership to be divided between the partners.
  - (g) For the purpose of providing security of income, the partners may agree to employ one or more of them as employees subject to and upon the same terms and conditions as other employees of the partnership other than as to wages and entitlements. Such wage will be in addition to the salaried partner's share in the net profits of the partnership in accordance with this agreement and the wage will be a working expense of the partnership before the profits are determined.

## **6. Further capital contributions**

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In the event the partners resolve from time to time that further capital is required to conduct the business, each partner shall contribute such capital in the same proportions as their share of the partnership.

## **7. Partnership decisions**

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- (a) Each partner is entitled to vote on each matter for decision by the partnership on a pro rata basis based on their respective shares of the partnership.
- (b) Decisions concerning the following matters require votes representing a 75% interest in the partnership:
  - (i) any changes to a partner's role;
  - (ii) raising capital by loan or contribution by partners;
  - (iii) admission of a new partner;
  - (iv) the expenditure in excess of \$            on any single purchase, lease or commitment;
  - (v) dissolution of the partnership;
  - (vi) a change in the nature of the partnership business;

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- (vii) the sale of the partnership business; and
  - (viii) the merger of the partnership business with another partnership.
- (c) Decisions other than those requiring votes representing a 75% interest in the partnership require votes representing a 50% interest in the partnership.

## **8. Records and accounts**

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- (a) The partnership shall keep all proper books of account in accordance with generally accepted accounting principles and all records applicable to the partnership business, and shall make all such books and records available to all partners at all times.
- (b) At the end of each month a profit and loss account shall be prepared and a copy provided to each partner. At the end of each financial year annual accounts and a balance sheet shall be prepared and made available to each partner. Prior to the distribution of profits the annual accounts shall be agreed by all of the partners by signing a copy thereof. In the event of a dispute then an interim distribution of profits may be made provided a protocol has been agreed for the resolution of the dispute and the relevant retention of such part of the profits as is agreed is made.
- (c) Upon request at any time any partner shall be given an up to date copy of their capital account, their income account and if relevant their loan account and a balance sheet for the partnership.
- (d) Any partner may at any time request a copy of all the accounts of the partnership from the accountant of the partnership without the authority of any other partner.

## **9. Insurance**

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The partners will take out and continue such insurances as are customarily taken in respect of a business such as the partnership business including workers compensation and public risk insurance, insurance against losses in plant, fixtures, fittings and stock and if deemed prudent, professional indemnity and loss of profit insurance.

## **10. Partner conduct**

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- (a) Partners will pay their separate debts and will not pledge the credit of the partnership except in the normal course of the partnership business. They will at all times promote the interests of the partnership and do nothing to bring it into disrepute. They will not disclose details of the partnership business to any other person or corporation, and will observe the confidential nature of the affairs of the partnership and the clients of the partnership.

- (b) No partner shall assign or charge their interest in the partnership without the consent of all other partners.
- (c) No partner will incur a partnership debt nor commit the partnership to any obligation that has not been approved by the partnership or which exceeds the authority delegated to the partner by the partnership.
- (d) No partner will deal with any person or corporation that the other partners do not want the partnership to deal with.
- (e) No partner will hire or fire staff without the specific approval of all partners first being obtained.

**11. Partners executive roles**

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- (a) Each partner must devote the whole of their time to the partnership business and will not engage in any other form of employment.
- (b) The partners shall receive for the partnership the following salaries:

Partner name	Salary
	\$

- (c) The partners shall be responsible for the executive roles set out below in addition to all such other roles, activities and tasks as the partnership shall reasonably require of the partners:

Partner name	Title and summary of role

- (d) Each partner shall be entitled to four weeks annual leave, which shall not accumulate from year to year, and such other reasonable leave from time to time in the event of family exigencies.
- (e) Whilst the partners acknowledge they are not employees of the partnership they agree that each partner may take paid leave as provided for in the National Employment Standards with the exception of long service leave.

**12. Expulsion of a partner**

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- (f) On 14 days notice a partner may be expelled from the partnership in the event that the partner:

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- (i) Fails to observe a material covenant of this agreement and after being given 30 days notice to rectify such failure does not do so; or
  - (ii) Is declared bankrupt or becomes insolvent; or
  - (iii) Becomes a represented person under the guardianship legislation; or
  - (iv) Is otherwise unable to attend to the business of the partnership whether it be through incapacity or absence for whatever reason and the continuing partners have reasonably concluded that there is little prospect of them resuming their work within three months; or
  - (v) Loses their right to practise the business of the partnership as the result of a disqualification or loss of a licence essential to the business; or
  - (vi) Is guilty conduct that is seriously prejudicial to the continued success of the business of the partnership justifying immediate notice of expulsion of the partnership, including, without limitation, being charged with a criminal offence involving dishonesty, or being found to have stolen from the partnership; or
  - (vii) Attain the age of            years.
- (b) The notice of expulsion must be given by, and with the consent of, all continuing partners to the defaulting partner, or other appropriate person, and on the expiration of the notice the partnership shall be terminated as between the defaulting partner and the continuing partners.
- (c) Any partner may retire on giving four months notice to the other partners.
- (d) The partnership is terminated by the death of a partner as to the deceased partner.
- (e) On the expulsion of a partner due to death or retirement, or after notice of expulsion, the following amounts shall be calculated and paid to the outgoing partner, or their personal representative for their share of the partnership at the time as follows:
- (i) The retiring partner's share of goodwill as determined by a valuer experienced in valuing businesses of the type conducted by the partnership. The valuer shall be appointed by the president of Chartered Accountants Australia and New Zealand. The valuation fee shall be paid by the partnership, including the retiring partner;
  - (ii) The retiring partner's share of stock in trade and work in progress as determined by a valuer experienced in valuing businesses. This amount is to be calculated and then the



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- outgoing partner's share of it less 15% for bad and doubtful debts paid within 30 days of the expulsion of the partner;
- (iii) The retiring partner's share of the plant and equipment and other assets of the partnership;
  - (iv) The amount representing the share of the outgoing partner of undrawn profits is payable within 90 days of expulsion of the partner. In calculating this amount, the accounts of the partnership shall be completed up to the date of expulsion on an accruals basis so that creditors and debtors are fully taken into account;
  - (v) Any amount in credit in the outgoing partner's income account is payable immediately following expulsion of the partner;
  - (vi) Any amount in credit in the outgoing partner's capital account is payable within 30 days of expulsion of the partner;
  - (vii) Any amount standing to the credit of the outgoing partner's loan account is payable within 30 days of expulsion of the partner;
  - (viii) Any accounts of the outgoing partner in debit may be adjusted against any credit in any other account;
  - (ix) Any share in any loss of the partnership may be offset against any credit entitlement of the outgoing partner;
  - (x) In the event that money is owing to the partnership by the outgoing partner, then such money will be paid to the partnership immediately following expulsion of the partner; and
  - (xi) Any money owing but unpaid shall attract interest thereon at the rate of 8% per annum compounding monthly until paid.
- (f) The outgoing partner shall continue to be liable for their proportion of any amount found payable arising from an event which occurred on or prior to their leaving, and they indemnify the other partners against any liabilities whatsoever arising therefrom, and the continuing partners release and indemnify the outgoing partner against any liability arising in the partnership incurred after the expulsion of the partner.
  - (g) All partners will sign such documents as are necessary to give effect to the expulsion of the outgoing partner.
  - (h) The continuing partners will own the ongoing partnership assets and will be entitled to share in the profits and will bear the losses thereof in shares proportionate to their partnership interest, and the outgoing partner will have no further interest therein.

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**13. Dispute resolution**

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- (a) If a dispute arises then before any proceeding is commenced the partner must give 14 days notice to the others setting out the dispute and seek discussion and compromise to resolve the dispute.
- (b) If after 14 days the dispute is not resolved then it must be referred to mediation on the same terms as those ordered by the Supreme Court of New South Wales and the costs of the mediation shall be borne by the partnership.

**14. Winding up**

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- (a) Where no two or more partners wish to continue the partnership then it shall be wound up. Where there are four or more partners and two groups of two or more partners wish to continue the partnership then in the absence of agreement to the contrary the partnership shall be wound up.
- (b) The business undertaking and assets of the partnership shall be realised and any partner may bid to acquire the whole or part thereof.
- (c) Following realisation all amounts owing to third parties will be paid firstly out of any profits then out of any capital accounts and then by the partners themselves in proportion to their interest in the partnership.
- (d) Any surplus after payment of all debts shall be paid firstly in repayment of any partner's loan accounts pro rata if insufficient funds remain, then the partner's capital accounts pro rata if insufficient funds remain, then their current accounts pro rata if insufficient funds remain, and then divided between the partners according to their respective interests in the partnership.
- (e) Final accounts shall be prepared agreed and taxation returns completed. The partners shall sign all documents and do all things to finalise the affairs of the partnership.

**15. Costs**

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The costs of preparation and finalisation of this agreement shall be shared equally by the partners.

**16. Notices**

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A notice or other communication to a party must be in writing and delivered to that party or that party's practitioner in one of the following ways:

- (a) Delivered personally; or
- (b) Posted to their address when it will be treated as having been received on the second business day after posting; or

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- (c) Faxed to their facsimile number when it will be treated as received when it is transmitted; or
  - (d) Sent by email to their email address, when it will be treated as received when it enters the recipient's information system.

**17. Counterparts**

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This agreement may be executed in any number of counterparts each of which will be an original but such counterparts together will constitute one and the same instrument and the date of the agreement will be the date on which it is executed by the last party.

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**Execution page**

**SIGNED AS AN AGREEMENT**

<b>SIGNED BY RUDRA LEGAL</b>	)
<b>CORPORATION PTY LTD ACN 163</b>	)
<b>240 319 TRADING AS LAWBANK</b> in	
the presence of:	..... Signature
..... Signature of witness	
..... Print name of witness	

<b>SIGNED BY</b> in the presence of:	)
	)
..... Signature of witness	..... Signature
..... Print name of witness	