

PARTNERSHIP DEED

THIS DEED OF PARTNERSHIP made this _____ day of ----, 2008 by and between the following companies:

By and Between:

_____ (hereinafter referred to as “**First Partner**”, which expression shall include, where the contract so permits, its successors-in-interest and assigns);

And

_____ (hereinafter referred to as “**Second Partner**”, which expression shall include, where the contract so permits, its successors-in-interest and assigns);

(First Partner and Second Partner shall wherever the context so permits be collectively referred to as the “**Partners**”)

WHEREAS, the Partners have arrived at a mutual understanding to enter into the business venture for -----; and

WHEREAS, the Partners intend to secure and form a partnership under the name and style of "-----; and

WHEREAS, the Partners have agreed on the terms and conditions relating to the constitution, incorporation, shareholding, operation and management of the ----- and their relation *inter se* which they are desirous to reduce into writing.

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

Name of the Partnership

1. The business of the partnership shall be carried on under the name and style of "-----" or any other name or names that may be agreed upon by and between the partners from time to time.

Commencement of Partnership

2. The business of the partnership shall be deemed to have commenced from----- in the name and style of “-----” or any other name or names that may be agreed upon by and between the partners from time to time and it shall be continued until the partners decide to dissolve the same or on the death of any of the partners.

Nature of Business

3. The Partnership business shall be that of to provide -----

Principle Place of Business

4. The principal place of business of the partnership shall be -----, or such place or places as may be mutually agreed upon by the partners from time to time. The partners have agreed that branch/es may be opened at any other place or places on their mutual consent and the same may be closed as and when the partners mutually agreed to from time to time.

Capital

- 5.1 The Capital of the partnership shall be the sum of -----, the first partner contributing Rs. ----- and the second partner contributing Rs. ----- and shall belong to the partners in such equal shares and if any time hereafter any further capital is required for the purposes of the partnership, unless otherwise agreed, the same will be contributed by the partners in equal shares. The partners shall be paid an interest on the capital

contributed at a percentage per annum as may be mutually decided but not exceeding ---- per annum.

- 5.2 The partners may agree from time to time to increase the capital of the firm by bringing in additional contribution in the proportion of the shares held by them in the initial capital of the firm. At the time of increase of the capital, the additional capital of the partner or partners may be adjusted against the increased capital.

Sharing of Profits and Losses

6. The profits and losses of the business (including loss of capital shall be divided and borne by the partners in equal shares.

Remuneration of Working Partners

7. Partners shall be working partners in the firm.

Drawls by Partners

8. Each partner may draw out of the banking account of the partnership sums not exceeding ----- a month on account of the remuneration payable to him. This amount of drawings may be varied by the partners by mutual consent from time to time. No interest shall be payable by the partners to the partnership firm on such drawings. However if on taking the annual account, it is found that the drawings of either partner exceed his share of profits and remuneration payable for the year, he shall refund the excess money drawn by him forthwith.

Maintenance of Accounts

9. Proper books of accounts and records of the business of the partnership firm shall be kept at the principal place of business of the partnership. The partners shall have free and full access to inspect and examine the books of accounts and other records of the partnership firm and obtain a copy of the same whenever thought fit. A general account of all the assets and liabilities and profits and losses of the partnership for the year shall be prepared as on ---of each year and such account shall be signed by the partners. The accounts when signed by all the partners shall be conclusive and final between the partners as to all matters stated therein, unless some manifest error is found within one month after the signing thereof, in which case such error shall be rectified.

Active Participation

10. The Working partners shall devote their whole time and attention to the partnership business and shall be just and faithful to the other partners in all transactions relating to the partnership business and shall give true account of such dealings.

Bank Account

11. Bank accounts and other accounts shall be opened in the name of the partnership firm with the Bank _____branch _____and such other bank or banks as the partners may from time to time unanimously agreed upon and the same shall be operated with the mutual consent of both the partners singly or jointly.

Partners covenant not to engage in other business

12. It is agreed between the Partners that during the currency of the Partnership neither partner shall directly or indirectly engage in any other business which is competing in nature to the Partnership business and which is detrimental to the financial viability of the partnership business.

Restrictive Covenants

- 13.1 Neither partner shall without the consent of the other partner:-
- (a) Assign, mortgage or charge his share or interest in the partnership wholly or in part, to any person other than the other partners.

- (b) Become bound by bail as surety for any person on behalf of the partnership or knowingly suffer anything whereby the partnership firm may be adversely affected, seized or attached in execution.
 - (c) Submit a dispute relating to the partnership business to arbitration.
 - (d) Compromise or relinquish any claim or portion or claim by the partnership firm.
 - (e) Admit any liability in a suit or proceedings against the partnership firm.
 - (f) Transfer immovable property belonging to the partnership firm.
 - (g) Enter into partnership on behalf of the partnership firm.
 - (h) Withdraw a suit or proceeding filed on behalf of the partnership firm.
 - (j) Open a banking account on behalf of the partnership firm in his own name.
 - (k) Compound, release or discharge any debt, which shall be due to the partnership without receiving the full amount thereof.
 - (l) Take any apprentice or employ or dismiss any agent or servant of the firm;
 - (m) Lend the moneys or deliver upon credit any of the goods of the firm to any person or persons, whom the other partner or partners shall have forbidden him to trust; and
- 13.2 No partner shall raise any loan on the strength of the credit of the partnership firm except when the same is required for the purposes of the business of the partnership firm. Any loan raised in contravention of the above shall be borne by the person raising the loan personally.

Dissolution of firm on certain contingencies

14. If either partner commits any act of bankruptcy or any criminal offence or any breach of any of the provisions of this deed or do or suffer any act which would be a ground for the dissolution of the firm by the court or any partner becomes physically or mentally unfit to attend the business, then in any such case, the other partner may within one month after becoming aware thereof, determine the partnership by notice in writing and in such case he or any other partner shall have the option of purchasing the share of the partner committing breach of default, in the capital and assets of the business upon the terms as are set forth in the next clause hereof.

Death of Partner

- 15.1 Upon death or retirement of any partner, the partnership firm shall not be dissolved. In the event of death, it will be open to the surviving partner whether to admit the legal heir/s as partners or not to the partnership.
- 15.2 In the event of retirement or death or insolvency as the case may be, accounts of the partnership firm shall be made up and profits or losses shall be ascertained upto the date of retirement or death or insolvency as the case may be and the amount due to the retiring or to the deceased partner or to the insolvent partner shall be ascertained and payable to the retiring partner or legal heir/s of the deceased partner or the assignee or receiver of the insolvent partner as the case may be. In case any amount is found due from the partner, the same shall be forthwith paid in accordance with the provisions of law.

Winding up of partnership on death of partner, if his share is not purchased by continuing partner

16. If any of the surviving partners shall not exercise the option of purchasing the share and interest of the deceased or if the partnership shall be determined during the lives of the partners, the partnership shall be wound up and assets will be distributed in terms of the Partnership Act, 1932.

Settlement of Disputes

17. All disputes between the partners or the partners and the representatives of a deceased partner in relation to any matter whatsoever touching the partnership affairs or the construction or interpretation of this agreement/partnership deed, and whether before or after the determination of the partnership shall be referred to a single arbitrator to be appointed with the mutual consent of partners and the decision of such arbitrator shall be final and binding.

Holidays to Partners

18. Each partner shall be entitled to --- holiday in each year and all the partners shall make choice of the holiday alternatively.

Introduction of partner

19. A new partner may be introduced with the consent of all the partners on such terms and conditions as the partners agree with the person to be introduced as a partner in the firm.

Payment of expenses and outgoings

20. All outgoings and expenses of the partnership and all losses or damages incurred, interest payable for any loans received and taxes, etc. shall be paid first out of the profits, next out of capital and in the case of further deficiency, by the partners in the shares in which they are entitled to the net profits of the partnership business.

Partnership moneys to be deposited in partnership account

21. All partnership moneys, bills, notes, cheques and other instruments received by the partnership shall as and when received be paid and deposited in the bank to the credit of the firms' account except such sums as are immediately required to meet the current expenses of the partnership firm.

Transaction to be done in firm's name

22. All transactions of the firm shall be done in the name of the partnership and all goods shall be purchased or sold in the firm name. All the bills, vouchers, delivery notes, receipts, etc. shall be issued in the name of the firm.

Sale of goodwill

- 23.1 The goodwill of the partnership firm and all other rights, titles and interests shall belong to the partnership firm only.
- 23.2 Upon the dissolution of the partnership, each partner shall have the option to purchase the goodwill of the partnership on a price as agreed thereto by the partners, and if no partner exercises the option to purchase the goodwill, the same shall be sold to a willing purchaser, PROVIDED THAT if upon any such determination as aforesaid of the partnership, the business thereof shall be sold as a going concern, the goodwill shall be sold alongwith the business. No partner (unless he is the purchaser of such business) shall directly or indirectly carry on or be concerned or interested in a similar business in his own name in the locality of the firm within a period of two years from the completion of sale of goodwill. The value of the goodwill shall be considered as an asset of the firm and will be added to and form part of the sum payable to all the partners on the dissolution of the partnership.

Personal Liability of Partners

- 24.1 Each partner shall be responsible and liable for his personal debts and liabilities, which shall be discharged by him personally and he shall keep the other partner and the firm indemnified to that respect.

24.2 Each partner shall indemnify the partnership firm as well as the other partner for loss caused to it or him as the case may be by his fraud or breach of authority in the conduct of the business of the partnership firm.

Alteration in the Partnership Deed

25. The partners may add, alter, amend the provisions of this partnership deed from time to time in any manner they mutually agree to and such additions, alterations and amendments shall be recorded in writing and signed and accepted by all the partners in which occurrence they shall be operative as if they were the terms of this partnership deed.

Governing Law of Partnership

26. Save and except as provided in this partnership deed, the partnership shall be governed by the provisions of the Pakistan Partnership Act, 1932.

Jurisdiction

27. This Partnership Deed shall be subject to the jurisdiction of court at Lahore.

Testimonium

IN WITNESS WHEREOF, the Partners hereto have executed this Deed by their duly authorized representatives as of the date first written above.

1. For and on behalf of:

Signature: _____

2. For and on behalf of:

Signature: _____

3. For and on behalf of:

Signature: _____

