

Week 12

A Partnership Agreement

Lecture 12

A Partnership Agreement

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### **Lecture learning outcomes**

At the end of the lecture, you will be able to:

1. learn partnership agreement
2. learn the key points of partnership agreement

#### **1. Learning partnership agreement**

A partnership agreement is a legally binding contract between two or more people that set up in business together. It outlines the terms and conditions of their business relationship such as:

- how the partners run the partnership.
- how the partners share the profits.
- how the partners share the risks, costs, and responsibilities.
- how the partners terminate the partnership.

It is very important to use a solicitor to draw up a written partnership agreement before you start running a new business relationship.

#### **2. Learning the key points of partnership agreement**

- Names of the partners
- Partnership name
- Capital contribution of partners
- Share of profits or losses
- Cheque signing arrangements
- Period of notice for resignation
- Retirement age