



your partnership agreement checklist

1. Partners

- 1.1. Who are they?
- 1.2. Are they already in partnership?

2. Any existing business

- 2.1. Is there to be termination or continuation of an existing business?
- 2.2. Who owns the existing capital and assets?
Is that basis of ownership to change?

3. Property

- 3.1. Who owns the farm? Who occupies the farmhouse(s)/cottages?
- 3.2. Is it to be a partnership/personal asset?
- 3.3. Are the partners merely to share occupation?
- 3.4. Will terms for occupation be a breach of any existing tenancy agreement?
- 3.5. Terms for occupation eg. Rent to landowner/indemnity for rent

4. Quotas and SPE

- 4.1. To whom are the Entitlements registered?

5. Term of partnership

- 5.1. Fixed term or partnership at will?
- 5.2. Notice for termination?
- 5.3. To last while any two partners alive?
- 5.4. Terms for withdrawal of rights of occupation (part or whole)?

6. Capital

- 6.1. Amount and nature of initial capital (if any)?
 - 6.1.1. fixed sum?
 - 6.1.2. by reference to valuation?
 - 6.1.3. different classes of capital?

- 6.2. Withdrawal/introduction of further capital?

Interest on capital?

- 6.3. Capital profits to follow capital or income?

7. Profits and losses

- 7.1. Prior charges:

7.1.1. for use of assets

7.1.2. for management

7.1.3. provisions for rolling-up of prior charges

- 7.2. Residual profit shares - fixed or variable?
Future changes?

- 7.3. Drawings on account of profits and repayment if insufficient profits

7.3.1. with or without interest?

7.3.2. time limit for repayment?

- 7.4. Treatment of undrawn profits/income surpluses

- 7.5. Are losses to be shared in the same way as profits?

8. Expenses

Nature and extent of household and other private expenses to be paid for by the partnership

9. Bank account

- 9.1. All partners to be signatories?

- 9.2. Restrictions on any partner's right to sign cheques?

10. Accounts

- 10.1. What will be the year end?

- 10.2. Power to vary year end

- 10.3. Partnership accountants

- 10.4. Provision for signature of partnership accounts

- 10.5. Registration for VAT?

11. Responsibilities

- 11.1. Obligation to devote whole time etc?
- 11.2. Obligation to devote only such time as required for efficient management?
- 11.3. Limited obligations for some partners?

12. Management

- 12.1. Partnership meetings/voting rights/matters requiring unanimity

13. Acts requiring consent

- 13.1. Eg. Hiring and firing/borrowing/major transactions

14. Assignment/nomination - bringing in new partners

- 14.1. Can interests be assigned to members of partners' families?
- 14.2. Can a partner nominate eg. a child to take over his/her interest on death/retirement?

15. Termination - death, retirement, expulsion

- 15.1. Death not to cause termination?
- 15.2. Options to purchase?
- 15.3. Provision of payment of share of profit/capital?
- 15.4. Instalments? Interest on instalments?
- 15.5. Notice provisions?
- 15.6. Right to withdraw capital or land?
- 15.7. Grounds for expulsion

16. Provisions on termination

- 16.1. Land to revert to person entitled to occupation?
- 16.2. Quotas and rights to compensation
- 16.3. Options to purchase assets?
- 16.4. Automatic accrual between certain partners?
- 16.5. Right to bid at auction

17. Resolution of disputes

This checklist is intended to help in compiling an accurate and comprehensive summary of the parties' requirements before the preparation of a farming partnership agreement involving agricultural land.