**LIMITED LIABILITY PARTNERSHIP AGREEMENT (ON STAMP PAPER)**

THIS AGREEMENT OF LIMITED LIABILITY PARTNERSHIP (hereinafter referred to as the “***Agreement***”) is made at (Name of City, Pakistan) on this \_\_\_\_\_\_ day of \_\_\_\_, 2021 by and;

**BETWEEN**

**\_\_\_\_\_\_\_\_\_** son of \_\_\_\_\_\_\_\_\_\_, Holding CNIC# \_\_\_\_\_\_\_\_\_\_, resident of \_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as “***First Partner***”, which expression shall, wherever the context so permits, means and includes his successors, legal representatives, administrators and assigns) OF THE FIRST PART;

**AND**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** son of \_\_\_\_\_\_\_\_\_\_\_\_\_, Holding CNIC# \_\_\_\_\_\_\_\_\_\_\_\_\_\_, resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as “***Second Partner***”, which expression shall, wherever the context so permits, means and includes his successors, legal representatives, administrators and assigns) OF THE SECOND PART;

(Where the context so permits the First Partner and Second Partner are jointly referred to as the ***“Partners/Parties”*** and individually as ***“Partner”***).

|  |
| --- |
|  |
|  |  |

**WHEREAS,** all the terms and conditions of forming the Partnership business have already been settled among the Partners and these are required to be reduced into writing to keep the matter clear, free of doubts and ambiguity and for such uses and references as need may arise from time to time, hence this Agreement has been drawn up; and

**WHEREAS,** it is deemed necessary and desirable that a regular Agreement of Partnership be reduced in writing and executed on the terms and conditions mentioned hereunder**.**

**NOW, THEREFORE, THIS PARTNERSHIP AGREEMENT WITNESSTH AS UNDER:**

1. The name and style of the Partnership business will be “**\_\_\_\_\_\_\_ LLP**” (hereinafter referred to as the “LLP”).

1. The registered office of the LLP will be situated in the ------------------------

1. The objects for which the LLP is established are all or any of the following:

* 1. The principle line business of the LLP shall be ---------------------------
	2. The LLP may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto after obtaining NOC from the relevant authorities and SECP wherever applicable. The LLP shall not engage in any business as mentioned in below mentioned clause (iii) without approval of SECP

* 1. Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the LLP to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Modaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

* 1. It is hereby undertaken that the LLP shall not:

* + 1. engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;

* + 1. launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;

* + 1. engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.

1. The Partnership shall be entitled to commence business from the date of issuance of incorporation certificate from SECP.

1. Every person who is a Partner of this LLP at the time of incorporation shall also be considered as “Designated Partner”. The Partners agree that the Designated Partner shall be responsible for the doing of all acts, matters and things as are required to be done by the LLP in respect of compliance of the provisions of this act including filing of any document, return, statement and the like report as required under the provision of the Act and/or agreed herein in this Agreement. The Partners further agree that any Partner may become a designated Partner by and in accordance with an Agreement with the other Partner(s) and a Partner may cease to be a Designated Partner in accordance with an Agreement with other Partner(s)

1. The capital of the Partnership shall be as per the books of account and have to be contributed by the above said First, Second & Third Partners according to their respective shares as given below and shall belong to the said Partners in such 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 above said Partners in their respective shares. The Partners further agree that all the Partners of a LLP are entitled to share (as per the agreed percentage given below) in the capital, profit and loss of the LLP.

1. The details and share percentage of the first Partners/Founding Partners of this LLP are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name and surname (present & former) in full (in Block Letters)  | NIC No. (in case of foreigner, Passport No)  | Father's/ Husband's Name in full  | Nationality (ies) with any former Nationality  | Occupation  | Usual residential address in full or the registered/ principal office address for a Partner    | Percentage of each Partner in this LLP (in figures and words)  |
|   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |
|   |   | Total percentage of Parners in LLP  |  | 100% (hundred Percent)   |

Provided that the Partners may agree to change and vary this ratio from time to time with their mutual consent.

1. The liability of Partners shall be limited.

1. The Partners further agree that each/every Partner may take part in the management of LLP.

1. Any matter or issue relating to the LLP shall be decided by resolution passed by a majority of in the number of Partners, and for this purpose, each Partner shall have one vote. However, no change may be made in the nature of business of the LLP without resolution passed by majority of less than three-forth.

1. The banker or bankers of the Partnership business shall be any scheduled bank or banks as may be decided from time to time by the Partners and shall be operated by the Partners individually or jointly. The Partners with written mutual consent may delegate this power to operate the Bank Account to any other person/employee with their mutual consent.

1. All moneys or negotiable instruments received from and on behalf and/or on account of the Partnership business shall be paid/deposited into such banking account or accounts in the name of the Partnership.

1. The Partnership business, with the prior written consent of all Partners, may from time to time borrow, take loan, or raise any sum of money from bank or banks or from any other source or sources for the purposes of business by offering such securities as may be agreed by and between the members of the Partnership. The Partners further agree that a Partner may lend money to and transact other business with the LLP as may be prescribed and shall have the same rights and obligations with respect to the loan or other transactions as a person who is not a partner.

1. The LLP shall cause to keep proper books of account in accordance with the provisions of section 20 of the Act and shall, as required by sections 20(2) of the Act, cause to be prepared and to be laid before the Designated Partners such profit and loss accounts or income and expenditure accounts and balance sheets duly audited and reports as are referred to in those sections. They shall in all respects comply with the provisions of sections 20.

1. An auditor or auditors of a LLP shall be appointed after seeking approval of partners through resolution passed by a majority of partners, who shall be a Chartered Accountant. The first auditor or auditors of a LLP shall be appointed by the partners within sixty days of the date of incorporation of the LLP provided that the LLP shall obtain a consent in writing from the auditor before his appointment in accordance with the LLP regulations 2018 and their duties regulated in accordance with the provisions of sections 20 of the Act.

1. The accounting year of the Partnership shall be the year ending on the last day of 30th June every year. The Final Accounts as will be drawn up at the close of the year within four months from the closure of the financial year and shall be signed by the Designated Partner(s) hereto as a token of acceptance.

1. That the Partners of the LLP may from time to time appoint, suspend or terminate any manager(s) or employees(s) and determine their powers, discretion and duties & responsibilities and fix their salaries or emoluments and to require security in such instances as they think fit, for the purposes of operation of business.

1. The Partners shall always act in a manner which is in accordance with the law and shall at all times have the best interests of the business and the other Partner in mind and be fair and transparent in all their dealings and activities. The Partners further agree that if a Partner, without the consent of the LLP, carries on any business of the same nature as and competing with the LLP, he/she/they must be accounted for and pay over to the LLP all profits made by him in that business.

1. All the Partners have joined the LLP in their own right and interest. No new partner may be introduced to the Partnership without the unanimous consent of the existing Partner(s). Unless or otherwise agreed in writing, no partner shall assign or pledge, endorse, accept or otherwise encroach upon the assets of the Partnership. No partner shall sell, transfer, pledge, mortgage or otherwise encumber his share for any reason whatsoever to any outsider without the prior approval in writing of the remaining Partners.

1. In the event that a dispute, claim or controversy arises between the LLP and its management or between the Partners *inter* *se,* all steps shall be taken to settle the dispute and resolve the issue through mediation by an accredited mediator before taking recourse to formal dispute resolution such as arbitration or litigation.

1. The Partners agree that any notice sent the LLP to its registered address, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, may be considered as served and delivered to the LLP.

1. The terms and conditions of the Agreement of Partnership may be varied, altered or amended with the mutual consent of all the Parties of the Partnership and in accordance with the applicable laws and same will be notified to the SECP within the stipulated time as required under the law.

1. The Partners agree that the LLP shall indemnify each Partner in respect of payments made and personal liabilities incurred by him/her in the ordinary and proper conduct of business of the LLP and/or anything necessarily done for the preservation of the business and/or property of the LLP.

1. The LLP shall follow, in case of its winding up, the relevant provisions of the Act.

1. This Agreement hereto constitutes the entire agreement and understanding between the Parties concerning the subject matter hereof and shall supersede and replace all prior discussions, agreements and representations, whether oral or written and whether or not executed by the Parties, this Agreement, and the terms of this Agreement shall prevail.

1. In the event any one or more of the provisions of this Agreement is held to be void, unenforceable or illegal under the applicable law, such nullity or unenforceability or illegality shall not affect any other provision of this Agreement.

1. The Partners agree that they have read this Agreement in its entirety prior to executing it, and are not relying on any representation or promise except for those set forth in this Agreement in voluntarily deciding to execute the same.

1. All the provisions of Limited Liability Partnership Act, 2017 with its Schedules and along with all applicable Rules, Regulations and laws, which are not contained hereinabove, shall apply to this Partnership in the usual manner.

**IN WITNESS WHEREOF,** the Parties have set and subscribed their respective hands and seal below on the day, month and year hereinabove mentioned.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

(FIRST PARTNER) (SECOND PARTNER)

**WITNESSES:**

1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Name:

CNIC# CNIC#:

Address: Address: