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### Transfer of partnership business to a company

#### Recitals

WHEREAS (*names and addresses of all partners*) have been and are conducting business in partnership as (*describe*) at (*address*);

AND WHEREAS they have agreed to transfer their business to a company which has been (*or* is about to be) registered for that purpose, and which is (*or* to be) known as (*name or proposed name of company*) (“the Company”);

NOW THEREFORE IT IS AGREED as follows:

#### 1 Divestment by partners

The partners hereby cede, transfer and make over their business together with all its rights and obligations, as a going concern, to the Company.

#### 2 Acceptance by or on behalf of the company

The Company, by its directors duly authorised thereto, hereby accepts transfer of the business.

*(Alternatively:*

*In their capacity as trustees for the Company about to be registered (*names of partners*) hereby accept transfer of the business on behalf of the Company.)*

#### 3 Assignment of lease of business premises

As an asset of the business, the partners agree to assign to the Company, which accepts (*or* the trustees of which accept on its behalf) the assignment, their lease of the premises in which they conduct business as aforesaid.

#### 4 Release from, assumption of liability and indemnity

As a condition of the transfer of the business, the partners shall be released from liability for all the existing obligations of the business and the Company assumes (*or, in the case of a company not yet registered: shall at its first meeting resolve to assume*) sole responsibility for such obligations and shall and does hereby indemnify the partners against all such liability.

#### 5 Consideration

In consideration for the transfer of the business, the Company shall pay to the partners the sum of R..... (*.....RAND*), payable as to R..... (*.....RAND*) in cash on transfer of the business and as to the balance of R..... (*.....RAND*), by the issue to them of (*specify quantity*) fully paid-up ordinary shares of the nominal value of R1 (ONE RAND) (*or* R..... (*.....RAND*)) each in the Company. The cash and shares shall be divided equally between the partners (*or specify proportions, for example, in relation to their respective interests in the partnership*).

#### 6 Release by creditors

The creditors of the business named in the schedule marked Annexure “A” hereto, by their signatures thereto release (*names of partners*) from liability and in their place accept (*name of company*) as their debtor.

*(Alternative clause 6:*

**Provision for payment of creditors**

The new company shall, as soon as may be, in the ordinary course of business, pay all such amounts as may be due to creditors of the partnership such that, subject to the terms of credit extended by its creditors to the business as a going concern, creditors of the partnership shall be paid before creditors of the new company. The accountant of the company shall in due course and at the cost of *(names of partners)* furnish the latter with a certificate that all liabilities of the partnership have been paid.)

*(Further alternative clause 6 or additional clause 7:*

**Notice in terms of section 34 of the Insolvency Act 24 of 1936**

The parties shall, pursuant to section 34 of Act 24 of 1936, cause notice to be published in full compliance with the provisions required therein to validate this agreement against creditors of the partnership.)

**8 Termination of partnership**

Forthwith upon transfer of the business and division of the cash and shares in terms of clause 5 hereof, the partnership shall be dissolved.

SIGNED at *(place)* on this *(day, month, year)* by *(names of partners)* in the presence of the undersigned witnesses

Witnesses:

1 .....  
2 .....  
*(Signatures of witnesses)* ..... *(Signatures of partners)*

SIGNED at *(place)* on this *(day, month, year)* on behalf of the company in the presence of the undersigned witnesses

Witnesses:

1 .....  
2 .....  
*(Signatures of witnesses)* ..... *(Signature of trustee or director)*

**ANNEXURE “A”**

*(Here attach schedule of creditors, duly signed.)*