

Limited Liability Partnerships Agreement Of

Made between

the persons named in the Schedule to this agreement as the members of the LLP (the “original members”).

Whereas

1. The original members are the persons who subscribed their names to the incorporation document which is intended to lead to the incorporation of the LLP under the Act.
2. The original members have agreed to enter into this agreement to set out the basis on which the LLP is to be organised and the rights and liabilities of members of the LLP.
3. It is the intention of the original members that, in accordance with section 5(2) of the Act, the terms of this agreement shall be binding upon the LLP and impose obligations upon it (to take effect immediately upon its incorporation)

It is agreed as follows:

1. Interpretation

1.1 In this agreement, unless the context otherwise requires, the following words and expressions have the meanings stated:

the Act	the limited liability Partnerships Act 2000
continuing members	the members who continue to be members of the LLP after the succession date
the LLP	the Limited Liability Partnership, specified in the Schedule to this Agreement, to be incorporated under the Act pursuant to an incorporation document subscribed by the original members
the LLP Bank	the bank which is for the time being the LLP bank in accordance with clause 7
outgoing member	a person who is for the time being a member of the LLP, whether as an original member who has continued to be a member or a person who has subsequently been admitted as a member and who has continued to be a member
the Regulations 2001-succession date	a person who ceases to be a member of the LLP for any reason the limited Liability Partnerships Regulations 2001, SI 1090 of a date on which an outgoing member ceases, or is deemed under his agreement to cease, to be a member of the LLP

1.2 Reference in this agreement to a provision in an Act of Parliament or Statutory Instrument includes reference to that provision as amended, extended or re-enacted from time to time.

1.3 References in this agreement to a member or former member include (where the context admits) reference to the personal representatives, estate, assigns, receiver or trustee in bankruptcy of such member or former member.

1.4 In this agreement words denoting the masculine include the feminine, persons include corporate entities.

2. *Effect of this Agreement and default provisions under the Act or the Regulations*

2.1 This agreement shall be binding on and between each of the members of the LLP for the time being and shall also bind any former members of the LLP in relation to any matter arising during the currency of their membership or in relation to their rights and obligations arising upon the cessation of their membership. It shall also be binding, in accordance with section 5(2) of the Act, between such members and former members and the LLP as a body corporate.

2.2 None of the default provisions set out in regs 7 and 8 of the Regulations (or any other such provision as is mentioned in section 5(1)(b) of the Act) shall apply to the LLP

2.3 The members are only associated together as members of the LLP and it is understood between them that no relationship shall subsist between them which would be regarded as a partnership within the meaning of the Partnership Act 1890; no member shall make any representation to any third party that there is any relationship between the members which would be regarded as such a partnership.

2.4 The rights conferred by section 459(1) Companies Act 1985, as applied to LLP under the Act, shall be excluded in relation to each member of the LLP for a period of 20 years from the incorporation of the LLP; such exclusion may be continued thereafter by a decision of the members.

2.5 The provisions of this agreement may be altered by resolution of the members.

3. *Business of the LLP*

3.1 The LLP shall carry on business in its own name (or under any business name determined by the members). Main business activity of the LLP should be International Freight Forwarding by railways, sea, roads and air. The LLP can use own, rented out or taken into operation railway wagons, trucks, seaships and airplanes to carry out its main business activity. With a view to a profit, the LLP can carry on Trade, Investments, Consulting and any other legal activity as it may be determined by Members.

3.2 The registered office of the LLP shall be as specified in the Schedule to this agreement, or at such other address as may be determined by the members.

3.3 The accounting reference date of the LLP shall be as specified in the Schedule to this agreement (or as otherwise determined by the members) and the first annual accounts of the LLP shall be made up to the date specified in the Schedule to the agreement (or as otherwise determined by the members).

3.4 Unless the LLP does not need auditors because the LLP is exempt from audit under the Act, auditors of the LLP shall be appointed and reappointed in accordance with the Act by the designated members of the LLP, who shall exercise such powers in accordance with any directions given by the members.

4. *LLP Property and obligations*

4.1 All the assets used for the purposes of the LLP shall be owned by the LLP absolutely. Members shall have no individual rights of ownership in such property; their only entitlement shall be to such capital distributions as may be due to them under the provisions of this agreement during or on cessation of their membership or such distributions as may be due to them following the liquidation of the LLP.

4.2 If it is necessary for an asset used for purposes of the LLP to be held on behalf of the LLP by one or more members, the interest of the LLP in that asset shall be properly documented by the execution by the member(s) concerned of a declaration of trust or similar acknowledgement.

4.3 The LLP shall indemnify each member in respect of payments made and personal liabilities incurred by him:

- (a) in the ordinary and proper conduct of the business of the LLP; or
- (b) in or about anything necessarily done for the preservation of the business or property of the LLP.

5. *Capital*

5.1 The capital of the LLP shall consist of the total sum specified in the Schedule to this agreement to be provided by the members in equal shares within 90 (ninety) days of the incorporation of the LLP together with such further sums as shall be determined by the members as being required for the purposes of the LLP. Such further capital shall be provided in the proportions in which the members are for the time being entitled to share in the profits of the LLP.

5.2 Interest on members' capital shall be payable at a rate equal to the base lending rate from time to time of the LLP bank. Any loans made to the partnership (apart from any amounts of members' capital which have been contributed) shall bear interest at a rate equal to 2 per cent per annum over the base lending rate from time to time of the LLP bank.

6. *Profits and losses*

6.1 The profits and losses (if any) of the LLP, including profits and losses of a capital nature, shall be shared between the members in equal shares. This is subject to the provisions of clause 14.2.

6.2 Each member may receive drawings from the LLP on account of their entitlement to profits in such amounts as shall be determined by the members.

7. *LLP Bank*

7.1 The bank to the LLP shall be the bank specified as such in the Schedule to this agreement or such other bank as is determined by the members.

7.2 All money belonging to the LLP shall be paid into the LLP bank for the credit of the LLP. A cheque on the LLP bank account for up to £500,000 in amount may be signed by one member but any cheque for any higher amount shall require the signature of two members.

8. *Member's entitlements*

8.1. Management of the Limited Liability Partnership

The company shall be managed by Members or appointed by Members Manager with full power to operate and bind the undertaking.

9. *Member's obligations*

9.1 No member shall without the prior approval of the members:

- (a) engage or be concerned either directly or indirectly in any other business or occupation
- (b) engage in any contract or commitment on behalf of the LLP, except in the name of the LLP
- (c) engage or make any contract with or dismiss any employee of the LLP
- (d) forgive the whole or any part of any debt or sum due to the LLP
- (e) except in the ordinary course of business, dispose by loan, pledge, sale or otherwise or any part of the LLP's property

- (f) cause the LLP to become bail guarantor or surety for any person or do or knowingly suffer anything as a result of which the property of the LLP may be endangered
- (g) assign or charge his rights in the LLP.

9.2 Each member shall:

- (a) diligently employ himself in the business of the LLP and carry on and conduct the same to the greatest advantage of the LLP
- (b) except as may be agreed by the members, devote his whole time and attention to the business of the LLP (except during holidays)
- (c) be just and faithful to the LLP and to the other members in all transactions relating to the business and affairs of the LLP and at all times to give to the LLP a true account of all such dealings
- (d) conduct himself in a proper and responsible manner
- (e) use his best endeavours to promote the business of the LLP
- (f) if required to do so by the members, serve as a designated member of the LLP (for the purposes of section 8 of the Act) for such period as the members may require
- (g) promptly give details to the designated members of the LLP of any changes in his personal particulars which are required to be notified under the Act to Companies House.

10. *Meetings and voting*

10.1 Members having the right to at least 10 per cent of the voting rights of members, may at any time call a meeting of the members. If the purpose is to consider a resolution requiring the unanimous approval of the members at least seven days' notice in writing is required. For any other meeting at least three days' notice in writing is required. Notices of meetings of members shall specify the place, day and time of the meeting and contain a statement of the matters to be discussed.

10.2 The members shall elect the chairman of the meeting but he shall not be entitled to any casting vote by reason of being chairman.

10.3 All matters considered at a meeting of the members shall be decided by a majority vote except that the following matters shall require the approval of at least three-quarters of the members:

- (a) alteration of this agreement under clause 2.5
- (b) admission of new members of the LLP under clause 11.1
- (c) giving notice to a member under clause 12.2. terminating his membership of the LLP
- (d) any change in the nature of the business of the LLP
- (e) a decision to place the LLP into liquidation under clause 14.1

10.4 The quorum for meetings of the members shall be two members.

10.5 Minutes shall be prepared of all meetings of members and shall be approved and signed by the chairman of the meeting. The contents of the minutes, when signed, shall be evidence of the proceedings at the meeting.

10.6 Resolutions of the members for any purpose may also be effected by written resolution signed by all the members.

11. *Admission of members*

11.1 The members may resolve to admit any person who wishes to become a member to membership of the LLP.

11.2 No person shall become a member of the LLP unless and until he has agreed in writing in a form approved by the members to become a party to and to be bound by this agreement(as amended from time to time).

12. *Retirement of a member*

12.1 Subject to clause 12.4, a member may retire from membership of the LLP by giving not less than three months' written notice to the LLP and on the expiration of that notice his membership shall terminate.

12.2 If, while a member, a member becomes bankrupt or becomes a patient under the Mental health Act 1983 or commits any serious breach of this agreement or shall absent himself from the business of the LLP without proper cause for more than three weeks in any period of twelve months or shall be guilty of any conduct likely to have an adverse effect on the business or affairs of the LLP, the LLP may (following a decision to do so by the members) give notice to the member terminating his membership of the LLP with immediate effect.

12.3 The death of a member shall immediately terminate his membership of the LLP and his personal representatives shall receive the entitlements due to an outgoing member under clause 13.1.

12.4 If a member gives notice under clause 12.1 which would have the effect, on becoming operative, of reducing the number of the members of the LLP below two, and if no further person has agreed to become a member by the date such notice is to become operative, the members shall immediately before such date take any necessary action to place the LLP into immediate voluntary liquidation.

13. Rights and obligations of outgoing member

13.1 An outgoing member shall be entitled to be paid the following amounts:

- (a) the sums standing to his credit on the succession date as his share in the LLP's capital and as the undrawn balance of his profit share
- (b) any other sums due to the outgoing member in respect of loans, interest on capital or loans and current account balances
- (c) such further sums as, in the opinion of an independent firm of accountants, appointed by the continuing members, acting as experts and not as arbitrators, are required to be paid to the outgoing member so that the amounts paid to him on termination of his membership fairly represent the value of his share in the LLP at the succession date; such sums shall take account of the value of the profits (or losses) of the LLP since the date up to which the last annual accounts were drawn and any extent to which the tangible assets of the LLP may have a value in excess of that at which they were shown in the last annual accounts but shall not attribute any value to goodwill.

13.2 The sums payable under clause 13.1 shall be paid, without interest, in four instalments at six month intervals commencing on a date three months after the succession date.

13.3 Any outgoing member (or his personal representatives or other relevant person mentioned in clause 1.3) shall, if so determined by the continuing members, join with them in giving the HM Inspector of Taxes a notice under section 113(2) Income and Corporation Taxes Act 1988 and the outgoing member (or personal representatives or other such relevant person) shall be indemnified by the continuing members against any basic or higher rates of income tax which may be payable by him as a result of giving any such notice in excess of the income tax which would have been payable if no such notice had been given.

13.4 Any outgoing member shall sign and execute all documents and perform all such acts as the continuing members reasonably require for the purpose of enabling the LLP to recover any outstanding assets of the LLP or for the purpose of transferring to the LLP or as it may direct any property of the LLP which on the succession date is held by the outgoing member on behalf of the LLP.

13.5 An outgoing member shall not:

- (a) during the period of 18 months following the succession date act for or solicit, either by himself or as the partner or employee or member of any other person firm company or limited liability partnership, any client of the LLP at the succession date (other than his relatives or family business owned or controlled by his relatives or any client for whom he acted solely in any honorary capacity)
- (b) at any time practise in the business of the kind carried on by the LLP, either by himself or as the partner or employee or member of any other person firm company or limited liability partnership, under any firm name similar to the name of the LLP
- (c) during the period of 18 months after the succession date, and within a radius of three miles from any business premises of the LLP, practise in the business of the kind carried on by the LLP, either by himself or as the partner or employee or member of any other person firm company or limited liability partnership.

14. Liquidation

14.1 The LLP may be placed into voluntary liquidation by a resolution of the members approved by three-quarters of the members.

14.2 For the purposes of section 74 of the Insolvency Act 1986 as it is applied to LLPs under the Act, no member is liable to contribute any amount to the assets of the LLP on liquidation to cover any of the matters set out in that section.

15. Notices

15.1 Any notice required to be given under this agreement shall be in writing, signed by the person giving it, and shall be duly given if it is delivered personally to the person to whom it is intended to be given or left for that person at, or sent to that person by recorded delivery post to, his usual or last known address in the United Kingdom. Any notices may be given to the LLP by delivering them to its registered office.

16. Arbitration

16.1 Any dispute or question in connection with this agreement or with the affairs of the LLP shall be referred to a single arbitrator to be appointed by the President of the Chartered Institute of Arbitrators under the provisions of the Arbitration Act 1996.

SIGNED by each of the original members

authorized signature

authorized signature
