

Partnership Buy / Sell Double Option Agreement

Where partnership insurance is being put in place, it is very important that the clients own legal advisor should be consulted on the suitability of our draft agreements for the clients particular circumstances.

In particular to ensure that any agreements are not in conflict with the Partnership Agreement.

Start	This agreement is made... Insert date of agreement and names and addresses of partners...
Whereas:	<p>This section sets out the main terms of the agreement:</p> <ul style="list-style-type: none"> a) The people involved in the agreement are partners in the firm known as.... Insert name and address of firm b) The agreement is basically a buy / sell agreement between the surviving partners and the deceased partners personal representatives. However, the Double Option feature gives both sides the option to not sell / purchase as long as both sides are agreeable. c) The arrangement is a reciprocal one. This means that all parties / each partner will effect and maintain a life assurance plan for the benefit of the other partners.
Section 1	This section gives the surviving partners the option to exercise in writing, within six months from the date of death of a partner, the option to buy the deceased share of the firm from his / her personal representatives. If this option is exercised the deceased's personal representatives are compelled to sell the share.
Section 2	This section gives the deceased partners personal representatives the option to exercise in writing, within six months from the date of death, the option to sell the deceased share of the firm to the surviving partners. If this option is exercised the surviving partners are compelled to purchase the share.
Section 3	This section deals with the price at which the share in the firm is to be bought by the surviving partners. In order that a fair and realistic price is given the firms Auditor's, in accordance with the partnership agreement, will agree the price.
Section 4	This section states that, if either option is exercised, then the surviving partners will purchase the share of the firm at the valued rate immediately prior to the date the buy / sell option is exercised.
Section 5	This section states that any partner that is to benefit from this arrangement will effect and maintain a life assurance plan with Irish Life Assurance plc for the benefit of the other partners so long as they continue to be a partner.
Section 6	This section covers the area of non-payment of premium by the partner that is covered under the life assurance plan. The clause gives the firm the right to deduct the cost of the premium from the remuneration or monies due to the partner covered to pay outstanding premiums due on receipt of notice of non-payment.
Section 7	<p>This section contains some terms of the agreement:</p> <ul style="list-style-type: none"> a) The deceased partners personal representatives are bound by this agreement. b) The agreement will no longer be valid if the partnership becomes dissolved.
As Witness	All partners must sign individually and their signature must be witnessed by someone other than party to the deed.

PARTNERSHIP BUY / SELL DOUBLE OPTION AGREEMENT

This agreement is made (date) between (names and addresses of the partners)

Note:
Every effort has been made to ensure that the information in this publication is accurate at the time of going to press. Irish Life Assurance plc accepts no responsibility for any liability incurred or loss suffered as a consequence of relying on any matter published in or omitted from this publication.

Please obtain independent legal and tax advice in relation to this agreement.

WHEREAS:

- A. The parties hereto are partners in the firm known as *(name and address of firm)*
- B. The parties hereto desire that on the death of any party hereto his personal representatives shall have the option to sell and the surviving parties hereto shall have the option to purchase the deceased party's share in the said firm on the terms hereinafter appearing.
- C. The parties hereto desire to confirm that the said arrangements are reciprocal.

NOW THIS AGREEMENT WITNESSES as follows:

1. In consideration of the provisions of Clause 2 hereof on the death of any party hereto the surviving parties shall have the option to purchase the deceased's share in the said firm from the deceased's personal representatives such option to be exercised by notice in writing served within six months from the date of death and on the exercise of such option the deceased's personal representatives shall sell the share to the survivors on the terms hereinafter appearing.
2. In consideration of the provisions of Clause 1 hereof on the death of any party hereto the deceased's personal representatives shall have the option to sell the deceased's share in the said firm to the surviving parties such option to be exercised by notice in writing served within six months from the date of death and on the exercise of such option the surviving parties shall purchase the share from the deceased's personal representatives on the terms hereinafter appearing.
3. The price shall (in default of agreement between the surviving parties hereto) be such price as may be determined on the occurrence of the death of any party hereto as the fair value thereof by the firms Auditor's for the time being in accordance with the partnership agreement.
4. If either option is exercised then (in default of agreement between the surviving parties hereto) the purchase of the deceased's share by the surviving parties hereto shall be made rateably according to their share in the firm immediately prior to the exercise of such option.
5. Each of the parties hereto hereby covenants with each of the other parties hereto that in consideration of his being named or described as a beneficiary on a policy of life assurance effected and maintained by each of the other parties with Irish Life Assurance plc, he (so long as the said policies are effected and maintained and he continues to be a partner in the said firm) will himself effect and maintain a policy with Irish Life Assurance plc for the benefit of the other parties hereto.
6. Each of the parties hereto hereby irrevocably authorises the said firm, in the event of his failing to pay any premium or premiums due on the said policy, to pay any amount outstanding in respect of such premiums by deduction from his remuneration or from any other sums due to him from the said firm on receipt by the said firm of a notice in writing from the other parties hereto furnishing details of a non-payment and requiring the said firm to do so.
7. This agreement shall:
 - a) bind the personal representatives of the parties hereto;
 - b) cease to have effect on the dissolution of the firm.

AS WITNESS the hands of the parties hereto the day and year first herein written.

Signature, address and occupation of Witness

Signature of Partner

Signature, address and occupation of Witness

Signature of Partner

Signature, address and occupation of Witness

Signature of Partner

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Signature of Partner

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Please obtain independent legal and tax advice in relation to this agreement.

IMPORTANT NOTE:

The Partnership Agreement should be checked to ensure there is no conflict between the Partnership Agreement and the above Agreement. This is a specimen agreement, Irish Life Assurance plc. cannot accept any responsibility for its suitability in any case. Consult your professional advisor.

CONTACT US

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Irish Life Assurance plc is regulated by the Central Bank of Ireland.

In the interest of customer service we may record and monitor calls. Irish Life Assurance plc,

Registered in Ireland number 152576, Vat number 9F55923G. LAS (01/20)