

The Law Society of Singapore

GROUP PRACTICE
for Sole and Small-Firm Practitioners

A Manual for setting up a Group Practice.

The contents of this manual are designed to assist practitioners in identifying the considerations for setting up group practices, where they so desire. Practitioners using this manual should satisfy themselves as to the mechanics and/or documentation which they need to put in place for the purpose. All statements in this manual are made without responsibility on the part of the Law Society of Singapore.

Group Practice for Sole and Small-Firm Practitioners

Sole and small-firm practitioners cherish their independence. Yet, they are irked by the disadvantages of a small-firm practice; they yearn for the benefits of a group practice without the problems of partnerships.

An alternative mode of practice - a Group Practice is available. We hope it satisfies both sentiments.

This Manual has been developed to assist practitioners to evaluate, set up or work in a Group Practice; it highlights the benefits and matters to consider for starting up, and operation of, a Group Practice.

A databank of practitioners interested in joining a Group Practice will be established by the Society. If you would like to register with the Society as being interested in joining a Group Practice, please complete the questionnaire obtainable from the Society's secretariat.

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1. BENEFITS OF PRACTISING IN A GROUP PRACTICE

- 1.1 Continuing ability to practise as a sole (independent) practitioner with the benefits of practising in association with a group of other practitioners.
- 1.2 Enhancement of professional standing through visible association with a mix of practitioners of different :
- standing (junior, middle and senior categories);
 - areas of specialties; and
 - experience.
- 1.3 Increased profitability and efficiency through sharing the following infrastructure / facilities / costs:
- rent;
 - office - including furniture and fittings;
 - library;
 - conference room;
 - precedents;
 - telecommunications systems;
 - photocopy and fax machines;
 - computer system;
 - on-line access to SNS (INTEREQ, ROC, LEGAL WORKBENCH etc);
 - general staff support - receptionist, secretaries, word processor operators, filing (court) clerks and registration / search (conveyancing) clerks;
 - practice promotion through brochures, media publicity etc of practitioners in the Group Practice;
 - staff insurance;
 - book-keeper, audit and accounting fees;
 - centralised management system; and
 - pantry supplies.
- 1.4 Opportunity to work less hours due to increased profitability.

- 1.5 Ability to refer work in-house:
- when on leave / holiday, ill or otherwise unavailable (obviate need for locum); and
 - to fellow practitioners with expertise in particular areas of specialities.
- 1.6 Ability to:
- secure assistance in court work (i.e. mentions, even hearings, if necessary); and
 - specialise due to ease of referrals.
- 1.7 Opportunities to:
- share and exchange ideas;
 - consult one another on legal and other problems; and
 - share in the fellowship of other practitioners.
- 1.8 An Officer Manager to attend to accounting / administrative / personnel / management matters.
2. MATTERS TO CONSIDER WHEN WORKING IN A GROUP PRACTICE.
- 2.1 Possible incompatibility with others (practitioners as well as support staff) in the Group Practice.
- 2.2. Loss of privacy in relation to the practice and clients, compared with that of a sole proprietorship or small-firm practice.
- 2.3 Mixed loyalties of shared staff.
- 2.4 Erosion of some of the financial benefits due to additional administrative/management controls i.e. need for an Office Manager.
- 2.5 Resistance by clients to the new mode of practice.

- 2.6 Rivalry between practitioners of the Group Practice.
- 2.7 Injection of funds required for, for example, the following capital costs:
- telecommunications system;
 - furniture for common access and individual offices;
 - computer system;
 - photocopy and fax machines;
 - safe; and
 - library.
- 2:8 Costs in time and finances of finding a suitable replacement when a practitioner of the Group Practice departs.
- 2:9 Disharmony within the Group Practice over the costs of certain shared expenses.
- 2:10 Sharing walk-in clients.

3. GUIDE TO ESTABLISHING A GROUP PRACTICE

Practitioners in the group

- 3.1 Choose practitioners with whom you are compatible.
- 3.2 Choose practitioners with appropriate standing, areas of specialties and experience. (Possible combinations of practitioners in the Group Practice are set out in APPENDIX 1).

Structure of entity

- 3.3 The broad framework could be as follows:
 - 3.3.1 The infrastructure and management of the Group Practice would be in the hands of a business entity to be called the Group Practice manager (or manager, for short). This could be a sole proprietorship, partnership or company.
 - 3.3.2 The practice of law would remain directly with the firms of practitioners within the Group Practice.
 - 3.3.3 Between the Office Manager and the firms, on the one hand, and between the firms themselves, there should be an agreement in writing (in each case) which spells out their relationship.
 - 3.3.4 Whilst they are separate firms for most purposes, the group practitioners get the practical benefits usually associated with partners in one firm.
 - 3.3.5 There is no partnership or agency between the firms or between them and the Officer Manager. However, there may be agency in respect of work undertaken by one firm for another in the context of referrals, favours done and incapacity or death.

Rules of professional practice and etiquette

- 3.3.6 Rules of professional practice and etiquette (including rules as to keeping of accounts), conduct and discipline would apply to the firms within the Group Practice much as they would to firms not within a Group Practice.

Legal Profession (Group Practice) Rules 1999

- 3.3.7 To capture the basic spirit of the Group Practice as well as set out some of the professional practice and etiquette parameters, the Legal Profession (Group Practice) Rules 1999 ("Rules") have been enacted as subsidiary legislation with effect from 1 April 1999 (S103/99). However, the Rules could probably require amendments in time to come when the Society has digested our experience in setting up and running Group Practices.
- 3.3.8 As the nature of the Group Practice may have repercussions for solicitor-client privilege, group practitioners should be alert to the risks of breaching this privilege. In the longer term, depending on feedback from Group Practices, there may be occasion to modulate the application of this privilege to Group Practices. In the meantime, group practitioners, should, as far as possible, adopt operational procedures and an infrastructure which minimises any risk of breaching this privilege.

Formal agreement between practitioners in the group

- 3.4 A formal agreement is desirable. It is required for various reasons including taxation and defining inter-party rights. Decide what items should be included in the agreement. A specimen agreement and a letter of intent is provided at APPENDIX 2. (The agreement is intended to be used by a Group Practice which has management in the hands of a manager.)

3.5 The practitioners' participation in the manager may be considered along the following lines:

- number of 'shares' to be held by each practitioner. This would depend on the initial contribution of each, whether it be financial or by way of equipment, library. etc;
- share of start up costs;
- overheads to be shared and the monthly contributions to be paid by each practitioner;
- method of dealing with a retiring member of the group;
- contribution paid by an incoming member of the group;
- voting rights;
- referring work from one practitioner to another in the group;
- payment to a practitioner by another in the group for work done particularly when the latter practitioner is on leave; and
- ownership of group name.

Premises

- 3.6 Decide on the location of the premises. It is advantageous to have premises located close to other law firms, banks and the courts.
- 3.7 Lease sufficient space for possible future expansion.
- 3.8 Provide for conference/interview room.
- 3.9 Ensure there is adequate space for library, pantry and the storage of safe custody documents and completed files.
- 3.10 Try to obtain a lease with no rental review for as long as possible. Check what is included in the outgoings. Ensure access to the premises is 24 hours a day, 7 days a week.

- 3.11 There are no legal, professional or technical/technological reasons why a Group Practice should be in one premises.

Staff

- 3.12 As this is usually the most costly item of expenditure, it is essential that appropriate staff are selected. Advertisements can be placed in the Law Society fax bulletin. Procuring staff by word of mouth is more economical and often results in securing a good employee.
- 3.13 Word processing operators can either be salaried or self-employed. If the practitioners' typing requirements vary, then it may be best that each be charged an hourly rate. If there is more than one self-employed operator, avoid giving more work to one than the others, as this could result in uncertainty of income for the neglected operator
- 3.14 A receptionist would be required. However, if appropriate, another staff member could also take on this role.
- 3.15 A full-time or part-time bookkeeper would be required to handle the accounting requirements of the shared expenses, the trust account of each practitioner, and, if required, the general account of each practitioner. Depending on the size of the operation, the bookkeeper could also act as Officer Manager and could be responsible for:
- the recruitment of support staff;
 - the supervision of support staff;
 - the workflow of support staff;
 - the ordering of stationery;
 - the opening and closing of files;
 - the storage of safe custody documents and completed files; and
 - the general running of the office.

- 3.16 If required, a secretary could be shared and paid by the group. Alternatively, individual practitioners may require his/her own secretary who would accordingly be paid by the individual practitioner.
- 3.17 Filing (court) clerks and registration/search (conveyancing) clerks should be employed.

Equipment

- 3.18 A photocopier and fax machine are a must. A recording device attached to both, which enables each practitioner or client to be charged according to use, is advisable.
- 3.19 It is also advisable to have a computer system for word processing and desirable for time recording, client data, own trust and own general account, as well as the accounting of the shared expenses. Other shared software, litigation support and document management could be considered. A terminal on each practitioner's desk for inputting and editing is also desirable. The Law Society Information Technology Advisor can assess your needs and advise the most appropriate hardware and software.
- 3.20 A telecommunications system providing a central switchboard and individual telephone numbers for each practitioner is desirable. It enables each practitioner to be individually billed for his/her outgoing calls.

Library

- 3.21 If not already in the practitioner's possession, it will be necessary to purchase certain legislation and practice books.

Stationery

- 3.22 Each practitioner would require his/her own letterhead, complimentary slips and accounting stationery.

Insurance

- 3.23 Each practitioner may need to insure the material loss or damage to client files and gross fees in the event of fire or extraneous peril. Consideration should also be given to covering income and business expenses in the event of illness.
- 3.24 The material loss or damage through fire or extraneous perils to contents, business interruption (excluding gross fees), public liability, money in transit and on premises and computer (data restoration) may also need to be insured by the group.

Precedents

- 3.25 One or more of the practitioner's in the Group Practice may have developed their own precedents which could be shared by all in the group.

Practising Certificates and Professional Indemnity Insurance

- 3.26 Each practitioner of the group is required to hold and pay for a Practising Certificate.
- 3.27 Each sole practitioner or individual firm in the group is also required to take out Professional Indemnity Insurance.

Shared Expenses

- 3.28 The group will need to decide on the method of billing each practitioner of the group for services provided by the manager of the Group Practice. Consideration should be given to splitting costs equally or on the basis of a

fixed component and variable component, the latter e.g. depending on the annual turn-over.

3.29 Detailed below is a list of the expenses which could be shared.

- office renovation costs;
- rent and outgoings;
- utilities;
- furniture for general areas and even individual offices;
- on-line access to SNS(INTEREQ, ROC, LEGAL WORKBENCH);
- staff;
- staff training;
- accountancy and audit fees of the manager;
- library,
- computer hardware;
- software for word processing, accounting, client data base, time recording, etc;
- precedents;
- photocopier and recording device to enable each practitioner to be charged according to use;
- facsimile machine and recording device;
- telecommunications systems;
- general stationery, e.g. pens, pencils, plain paper;
- kitchen supplies;
- insurance; and
- marketing;

Non-Shared Expenses.

3.30 Detailed below is a list of some of the items which each practitioner would be required to pay individually:

- practising certificate and professional indemnity insurance;

- subscriptions and levies payable to the Society as well as the Academy of Law
- own letterhead, complimentary slips and other stationery required for each practitioner;
- rental of own telephone and cost of own outgoing calls;
- accountancy fees;
- auditing fees of trust-accounts: and
- postage and courier charges;

Attestation

- 3.31 A practitioner in a firm in a Group Practice, who is a commissioner for oaths or notary public, may attest to any document requiring attestation of clients of another firm in the Group Practice.

POSSIBLE PROFILE OF PRACTITIONERS IN GROUP PRACTICE

Possibility No. 1: (name?) Group Practice

Lawyer	Standing	Areas of Practice
1	Senior	Litigation (civil and crime)
2	Senior	Litigation (civil and construction)
3	Senior	General Practice but mainly conveyancing
4	Middle	IP, Corporate
5	Middle	Corporate, Banking, Finance
6	Middle	General Practice but mainly litigation (civil, crime and insurance)
7	Junior	Litigation (civil and crime), Family Law
8	Junior	Conveyancing, Adoption, Probate
9	Junior	Litigation (civil and crime), Family Law
10	Junior	Litigation (civil and crime), IP, Trade Marks

POSSIBLE PROFILE OF PRACTITIONERS IN GROUP PRACTICE

Possibility No. 2: (name ?) Group Practice

Lawyer	Standing	Areas of Practice
1	Senior	General Practice but mainly Family Law, Conveyancing, Probate
2	Senior	Litigation (civil and construction)
3	Senior	Conveyancing, Probate, Adoption
4	Middle	Family Law, Conveyancing, Probate
5	Middle	Litigation (civil and crime)
6	Middle	Family Law
7	Junior	Family Law
8	Junior	Family Law
9	Junior	Litigation (civil and crime), Family Law
10	Junior	Litigation (civil and crime)

POSSIBLE PROFILE OF PRACTITIONERS IN GROUP PRACTICE

Possibility No. 3: (name ?) Group Practice

Lawyer	Standing	Areas of Practice
1	Senior	Crime
2	Senior	Litigation (civil and construction)
3	Senior	General Practice but mainly Conveyancing, Probate, Family Law
4	Middle	Crime
5	Middle	Crime
6	Middle	Litigation (civil, crime and insurance)
7	Junior	Litigation (civil and crime), Family Law
8	Junior	Conveyancing, Adoption, Probate
9	Junior	Litigation (civil and crime), Crime
10	Junior	Crime

APPENDIX 2

SPECIMEN GROUP PRACTICE AGREEMENT

Dated this day of 1999.

Parties:

- (1) [The Manager, if any]
- (2) "The covenantors" being the persons whose names and addresses are set out in the Schedule 1 [not provided in this Manual] and, where the context permits, their respective personal representatives.

Operative Provisions:

1. Interpretation

- 1.1 In this agreement the following expressions shall have the following meanings unless the context otherwise requires:

"Attending Covenantor" refers to a covenantor who, pursuant to Clause 10.4, accepts from an instructing covenantor work entrusted by a client to the instructing covenantor.

"Group Practice" means the relationship of the covenantors who practise under an umbrella name as separate firms of advocates and solicitors but in mutual cooperation [within the premises] and the terms and conditions of which are set out in this agreement.

"Infrastructure" refers to the premises, furnishing, books, equipment, paraphernalia and electronic services set out in Clause 4.1.

"Instructing Covenantor" refers to a covenantor who, pursuant to Clause 10.4, delegates work entrusted to him by his client to another covenantor within the group practice.

"Management services" refers to the management support services considered necessary or desirable for the operation of the group practice [by the manager] to be provided under Clause 4.3.

["manager" means the first party to this agreement.]

"recurrent costs" refer to the expenses incurred periodically by the manager in providing the management services and they include but are not limited to rent, salaries and central provident fund contributions, electronic services subscriptions, leasing and hire purchase payments, utilities and telephone charges.

"Start up date" means a date [appointed in writing by the manager not later than 1 month from the date of execution by the covenantors of the letter of intent] for the commencement of business of the group practice.

"the premises" means the premises referred to in Clause 4.1.1.

"Undertakings" means the undertakings set out in Clause 9.

1.2 Unless the context otherwise requires, any reference to a statutory provision shall be interpreted as including a reference to:

1.2.1 any statutory amendment, modification, consolidation or re-enactment (whether before or after the date of this agreement) from time to time in force;

1.2.2 all statutory instruments or subordinate legislation or orders made pursuant to a statutory provision; and

1.2.3 any statutory provisions of which it is an amendment, modification, consolidation or re-enactment.

1.3 The Schedules form part of this agreement.

1.4 References to parties and references to a clause or schedule are, unless otherwise stated, references to the parties to or to a clause, schedule or annex of this agreement.

1.5 Clause headings are for convenience only and shall not in any way affect the interpretation thereof.

1.6 Save where the context otherwise requires words importing the singular number include the plural and vice versa.

1.7 Words and phrases used in the Legal Profession Act (Chapter 161) shall unless the context otherwise requires bear the same meaning when used in this agreement.

2. Conditions Precedent

2.1 [The obligations of the manager in this agreement shall be conditional upon the following matters being fulfilled on or before the Start Up Date:

2.1.1 The manager being able to put in place the infrastructure.

2.1.2 The covenantors providing the disclosure letters described in Clause 9.3.]

3. Pending the Start Up Date

Until the start up date, the following provisions shall apply:

- 3.1 The covenantors shall use their best endeavours to procure that their respective firms are carried on in the ordinary course and to maintain them as going concerns.
- 3.2 The covenantors shall use their best endeavours to ensure that there is no breach of the Undertakings.
- 3.3 [The manager shall use its best endeavours to put in place the infrastructure.]

4 Infrastructure and Management

- 4.1 [The manager] agrees to provide the infrastructure for the group practice as follows:
 - 4.1.1 It shall rent a premises of a size and in a location which it may deem appropriate from which the practice will practise law.
 - 4.1.2 It shall purchase books which it considers suitable for a law practice comprising the number of lawyers which the group practice does.
 - 4.1.3 It shall furnish the premises and purchase all and any office and related equipment and paraphernalia which it may deem necessary and useful for the group practice. Without prejudicing the generality of the foregoing, such equipment will include computers and their peripherals, telephones, a photocopier, facsimile machine(s).
 - 4.1.4 It shall procure the provision of such utilities as may be necessary or expedient for the group practice including the provision of light, electricity and water and telephone lines.
 - 4.1.5 It shall procure the provision of such electronic services as may be deemed desirable for the proper functioning of the group practice such

as the Singapore Network Services electronic search tools known as lawnet, intereq and the legal workbench.

4.2 [The funds laid out by the manager towards providing the infrastructure shall:

4.2.1 not exceed the total sum of _____.

4.2.2 be repaid by the covenantors in the manner provided for in Clause 5.2.3 and Clause 5.2.4.

4.2.3 be set out by way of a certificate signed by _____ which the covenantors shall accept to be correct unless manifestly incorrect on its face.

4.2.4 be a debt owing by the covenantors to the Manager.]

4.3 [The Manager] shall in its absolute discretion provide management support services for the efficient operation of the group practice including but not limited to the following services, namely:

4.3.1 the employment of adequate secretarial, clerical, despatch/filing and cleaning staff for the efficient functioning of the group practice.

4.3.2 dealing with the providers of the equipment, paraphernalia and services set out in Clause 4.1 in respect of any matters concerning their effective operation; and

4.3.3 attending to any aspects of the administration of the group practice as a whole in respect of which the covenantors have not expressly agreed in this agreement that they shall themselves be responsible for.

5 Consideration

5.1 [In consideration of the Manager's agreement set out in Clause 4,] the covenantors jointly and severally covenant [with the Manager and] with each other to perform fully their duties and obligations set out in this agreement.

5.2 [Without prejudice to the generality of Clause 5.1, the covenantors agree to pay to the Manager:

5.2.1 Upon the execution of this agreement, a sum equivalent to the rental deposit paid by the manager towards renting the premises.

5.2.2 At the beginning of each month without demand, monthly management fees calculated on the total of the recurring costs of operating the group practice multiplied by per centum as well as any goods and services tax or similar levies.

5.2.3 By the end of each practice year, that is by the end of March each year, a percentage of their audited income computed and set out in the manner set out in Schedule 2 [not provided in this Manual] which shall constitute payment to account of the debt certified pursuant to Clause 4.2.3.

5.2.4 By _____, the balance amount of the funds certified pursuant to Clause 4.2.3 on a dollar for dollar basis and rounded downwards to the nearest dollar less the amount paid pursuant to Clause 5.2.3.]

5.3 [If the covenantors default in the payment of any amount payable under this agreement or otherwise in complying with any of the terms and conditions of this agreement, then the manager shall immediately be entitled to terminate the covenantors' participation in the group practice without impairing any other of its rights arising from the default.]

6 Right to set rules

6.1 The covenantors acknowledge the absolute right of the Law Society at any time [and of the manager] to add to, remove, modify or vary in any manner whatsoever the terms and conditions of this agreement, including but not limited to the undertakings of the covenantors.

7 Shareholdings in Manager

7.1 [The covenantors bind themselves jointly and severally to:

7.1.1 repay the debt referred to in Clause 5.2.4.; and

7.1.2 accept a transfer from the Shareholders of the Manager of the issued share capital of the manager.

7.1.3 Notwithstanding Clauses 7.1.2, the rights and obligations of the covenantors amongst themselves shall continue as provided in this agreement.

7.2 The covenantors jointly and several bind themselves to indemnify and keep indemnified the Manager against all actions proceedings claims demands losses expenses and costs in respect of or arising out of the manager carrying out its obligations under this agreement.]

8 Name of the Group Practice

8.1 The group practice shall be named _____.

8.2 The goodwill in the name shall as long as the group practice remains a going concern remain in the covenantors who from time to time practise in the group practice.

9 Undertakings

9.1 Each of the covenantors undertakes [to the manager and] to each other in the following terms:

[9.1.1 He shall practise in the premises.]

9.1.2 He shall maintain his own clients account separately from the other covenantors or any of them.

9.1.3 He shall at all times in the course of his professional transactions use his own firm name and make it clear that his firm is a member of the group practice.

9.1.4 He shall at all times:

9.1.4.1 show the utmost good faith to [the Manager] and the other covenantor(s) in all matters relating to his practice and to the group practice;

9.1.4.2 conduct himself in a manner becoming of an advocate and solicitor and use his best skills and endeavours to promote the group practice and his practice;

9.1.4.3 keep proper records of all business transacted by him on behalf of his firm as well as, when he has been expressly instructed to do so, on behalf of another covenantor's firm;

9.1.4.4 comply with all Acts Orders Rules Practice Directions and other instruments for the time being having the force of law and or otherwise applicable to advocates and solicitors;

9.1.4.5 duly and punctually pay and discharge his separate and private debts and liabilities and keep the infrastructure and the other covenantors and their respective estates and effects indemnified against the same and against all actions proceedings costs claims and demands in respect thereof;

9.1.4.6 discharge the liabilities of his own firm and shall keep indemnified the other covenantors [and the manager] against all costs claims and demands in respect of his own firm;

9.1.4.7 without prejudice to the generality of Clause 9.1.4.6, he shall bear his own professional indemnity insurance premia, accountancy and audit costs, professional and similar subscriptions and levies payable to the Law Society and the Academy of Law; and

9.1.4.8 subject to Clause 9.1.6.1, supervise as necessary all or any staff

who may be performing work for the covenantor or his firm.

9.1.5 He shall during the continuance of this agreement:

9.1.5.1 not disclose to any person except the covenantor concerned or a person having lawful authority to require disclosure any professional secrets or any information with respect to the covenantor concerned or his clients practice or affairs; and

9.1.5.2 take all necessary steps and avoid all and any necessary omissions which may prejudice his duty of confidence to his client in respect of litigious matters in which another covenantor acts for another party in the same matters.

9.1.6 He shall not without the consent of the [Manager] or other covenantors:

9.1.6.1 engage or dismiss any employee of the group practice;

9.1.6.2 pledge the credit of the group practice [or of the Manager] or incur any liability or lend any monies on their or either of their behalves;

9.1.6.3 give any guarantee on behalf of the group practice [or of the Manager];

9.1.6.4 enter into any bond or become bailor or surety for any person or knowingly cause or permit or suffer to be done anything whereby the property of the other covenantors or the infrastructure may be taken in execution or otherwise endangered; or

9.1.6.5 assign, mortgage or charge his share in the infrastructure to accrue upon termination of the pilot scheme or any part thereof or enter into partnership with any other person concerning such share or any part thereof.

9.2 Each of the undertakings is without prejudice to any other of them and no paragraph or sub-paragraph in Clause 9.1 shall limit or govern the extent or

application of any other paragraph or sub-paragraph.

- 9.3 Each of the covenantors warrants to the other covenantors [and to the manager] that no claims or complaints against him or his firm is known to him in respect of professional misconduct or negligence and that no notice of any such claims or complaints has been made or received or threatened or is expected except as stated in the disclosure letter signed by the parties hereto for the purposes of identification and intended to be confidential and he undertakes to disclose any such claims and complaints and the contents of any such notice to each other in writing within seven working days of receipt.

10 Undertakings concerning clients

- 10.1 The covenantors undertake with each other [and the manager] not to act or do work for any client of the other covenantors except as deputy or temporary successor as set out in Schedule 3.
- 10.2 The covenantors who are sole proprietors undertake with the other covenantors [and the manager] that he shall appoint another one of the covenantors to act for him in the event of his incapacity or death and upon the terms set out in Schedule 3.
- 10.3 In carrying out any business, tasks or work on behalf of an instructing covenantor, the attending covenantor shall:
- 10.3.1 be deemed to be an agent of the instructing covenantor ;
 - 10.3.2 be deemed to have had the consent of the client to the attending covenantor being so delegated;
 - 10.3.3 do so with all reasonable diligence and skill; and
 - 10.3.4 ensure that all interviews with clients and others in connection with the business of the other covenantor shall take place as far as reasonably practicable at the office and that all such business tasks or work is carried on in and all correspondence is headed with the name or firm

name of the other covenantor.

10.4 In coming to an agreement in respect of delegating business pursuant to Clause 10.3:

10.4.1 the covenantors concerned shall where the circumstances permit, set out the scope of the business, tasks or work in writing as well as the fees if this is agreed; and

10.4.2 ensure that the attending covenantor is not in conflict of interest with the client whose work is entrusted to the attending covenantor.

11. Retirement of covenantors

11.1 [The covenantors further undertake that other than for the events of permanent incapacity or death, they shall not retire from the group practice for _____ years.]

11.2 Subject to Clauses 8 [and 11.1], if any covenantor gives to the other covenantors not less than six months' notice in writing of his retirement he shall retire from the group practice on the expiry of the notice.

11.3 The share of the outgoing covenantor in the capital and assets (including goodwill) of the group practice [and the manager] shall vest in the continuing covenantors if more than one in equal shares.

11.4 [A balance sheet as at the succession date and a profit and loss account for the period from the date when the last account of the manager was taken or from the commencement of the manager if an account has not been previously taken to the retirement date shall be prepared as soon as reasonably practicable by the manager's accountants.]

11.5 [The continuing covenantors shall pay to the outgoing covenantor the amount of the capital standing to the credit of the outgoing covenantor's capital account in

the balance sheet of the Manager prepared as at the retirement date by four equal instalments payable at quarterly intervals the first instalment to be paid three months after the retirement date with interest on the outstanding amount or balance at the rate of 6 per cent per annum such interest to be payable on the same dates and to accrue on a monthly basis from the retirement date.]

11.6 [If any instalment of capital or interest pursuant to Clause 11.5 shall be in arrear for more than fourteen days the whole amount or balance of such capital then outstanding shall become immediately due and payable together with interest to the date of payment.]

11.7 [At the option of the continuing covenantors, the continuing covenantors shall be entitled at any time and from time to time to pay any one or more of the instalments under Clause 11.5 prior to the due date or dates for payment.]

11.8 [The outgoing covenantor is not entitled to any other payment in respect of his share of the capital and assets of the manager.]

12. Non-partnership and miscellaneous matters

12.1 Save and to the extent that Clause 10.2 and Schedule 3 require or Clause 10.3 permits that one covenantor act for another as agent or representative, nothing in this agreement shall operate so as to constitute any of the parties an agent, partner, employee or representative of the other parties in respect of their respective businesses as advocates and solicitors.

12.2 No failure of [the manager] to exercise any power given to it under this agreement or to insist on strict compliance by the covenantors with any obligation or condition and no custom or practice of the parties at variance with the terms of this agreement shall constitute a waiver of any of the manager's rights hereunder.

- 12.3 No waiver by [the manager] of any particular default by the covenantors shall affect or impair [the manager's] rights in respect of any subsequent default of any kind by the covenantors nor shall any delay or omission of [the manager] to exercise any rights arising from any default affect or impair [the manager's] rights in respect of the default or any other default of the covenantors. Subsequent acceptance by [the manager] of any payments by the covenantors shall not be deemed a waiver of any preceding breach by the covenantors of any of the terms and conditions of this agreement.
- 12.4 This agreement constitutes the entire agreement between the parties and supercedes all prior agreements in respect of the subject matter covered by this agreement.
- 12.5 This agreement and all rights and obligations of the parties shall be governed and construed in accordance with the law of Singapore and the parties hereby submit to the jurisdiction of the Singapore courts.

Schedule 3**Covenants applicable pursuant to clause 10.2 :**

1. If either covenantor hereto (hereinafter called the incapacitated covenantor) shall at any time or times be or become incapacitated through illness injury or other physical or mental disability (whether temporary or permanent) from attending to his own practice the other covenantor hereto (hereinafter called the attending covenantor) on being called upon to do so and if he shall so require upon being furnished with a medical certificate as to such incapacity shall (unless and except so long as he shall be unavoidably absent from or unable to attend to his own practice) attend to the practice of the incapacitated covenantor (hereinafter called the said practice) as that covenantor's deputy upon and subject to the terms contained in clauses 2 to 8 (inclusive) 12 and 13 hereof until the incapacitated covenantor is able to return to the said practice or until the said practice is disposed of or until termination of this agreement as hereinafter provided whichever event shall first happen.

2. Subject to the consent of the incapacitated covenantor (which shall not be unreasonably withheld and if unobtainable in emergency or through disability of the incapacitated covenantor shall, if reasonably required, be deemed to be given) the attending covenantor shall be entitled
 - 2.1 to employ such help as may be necessary for the purpose of running the said practice whether by the use of existing staff of the group practice or by engaging new staff or otherwise.

 - 2.2 to operate the banking accounts of the said practice on behalf of the incapacitated covenantor. Each covenantor shall forthwith upon the signing hereof make and at all times keep in existence such arrangements with the bank or banks concerned as may be necessary to enable the said banking accounts to be operated as aforesaid without

further formalities immediately whenever clause 1 of this agreement shall come into effect.

3. When attending at any time or times to the said practice the attending covenantor shall

3.1 notify the clients of the said practice in respect of whom matters are then being transacted that the attending covenantor will be in charge of the said practice for the time being during the said illness or other incapacity.

3.2 arrange with the consent of the clients concerned to pass to other solicitors (if possible on a temporary basis) any work of the incapacitated covenantor in which his client's interests conflict with those of a person represented by the attending covenantor.

3.3 attend with all reasonable diligence and skill to the said practice and all matters pending or subsequently arising therein or in connection therewith and take on behalf of the incapacitated covenantor all such steps including the payment of rent rates salaries wages and other outgoings and subject as herein before provided the engagement of new staff as shall be reasonably necessary to enable the said practice and the goodwill thereof to be maintained PROVIDED that (subject to any custom or rule of etiquette) nothing in this agreement shall be construed as obliging the attending covenantor either to undertake on behalf of the incapacitated covenantor or to refrain from undertaking on his own account (in the absence of any conflict of interests with an existing client of the incapacitated covenantor) any work for a person not already the client of the attending covenantor who has never or not during the previous one (1) years been the client of the incapacitated covenantor]

- 3.4 supervise as necessary all staff but not without the consent in writing of the incapacitated covenantor dismiss any staff except for gross misconduct.
 - 3.5 keep or cause to be kept accurate accounts of income and expenditure and ensure compliance with all statutory requirements and good professional practice as to the keeping of accounts the earning of interest on clients' money delivery of accountants' reports and any other matters financial or otherwise pertaining to the said practice.
 - 3.6 effect any necessary registration with or notification to The Law Society consequent upon the operation of this agreement.
 - 3.7 ensure that all interviews with clients and others in connection with the business of the said practice take place at the office of the incapacitated covenantor and that all such business is carried on in and all correspondence is headed with the name or firm name of that covenantor.
4. The attending covenantor shall be entitled to be paid by the incapacitated covenantor fair and reasonable remuneration for all work done by him in or in connection with the carrying on of the said practice together with reimbursement of all expenses reasonably incurred by him in connection with the said practice.
 5. Should any period of incapacity as aforesaid extend or appear likely to extend beyond the period covered by the incapacitated covenantor's practising certificate and the incapacitated covenantor be unable himself to complete the necessary application for a fresh practising certificate running consecutively upon expiry of the current certificate the attending covenantor shall take all necessary and proper steps on behalf of the incapacitated covenantor to procure the issue of such fresh certificate.

- 6.1 Each covenantor warrants and undertakes that he holds a current practising certificate authorising him to practise as a solicitor free of any restrictions or conditions and (subject to clause 5 hereof) will take all steps to ensure that he holds a current practising certificate at all times and will without delay notify the other covenantor in writing of any omission to apply for or any refusal to issue such certificate or of any restrictions or conditions attached to the issue of such certificate or of any suspension of such certificate and upon receipt of any such notification the other covenantor may by notice in writing either terminate this agreement summarily or suspend the operation thereof until such certificate shall be issued or such restriction condition or suspension as aforesaid shall be removed as the case may be.
- 6.2 Each covenantor shall forthwith upon the signing hereof and at all times thereafter take such steps as may be necessary to procure that his professional indemnity policy covers the acts of the other covenantor and of any person employed as aforesaid when attending to the practice of the first mentioned covenantor in accordance with this agreement (whether as deputy as aforesaid or as temporary successor as hereinafter provided) and shall furnish the other covenantor with written confirmation by the insurers of such cover and of its continuation from time to time and in default of such cover or confirmation the other covenantor shall be entitled to effect such cover at the expense of the defaulting covenantor.
- 6.3 Each covenantor and his personal representative shall indemnify the other covenantor and his personal representative against all actions proceedings claims demands losses expenses and costs in respect of or arising out of the carrying on of his practice by the other covenantor in accordance with this agreement (whether as deputy or as temporary successor).
7. Each covenantor undertakes during the continuance of this agreement
- 7.1 not to act or do work for any client of the other covenantor except as such deputy or temporary successor.

- 7.2 not to disclose to any person except the other covenantor or a person having lawful authority to require such disclosure any professional secrets or any information with respect to the other covenantor or his clients practice or affairs.
8. In the event of the death of either covenantor (hereinafter called the deceased covenantor) the other covenantor (hereinafter called the surviving covenantor) if called upon to do so by the personal representative of the deceased covenantor (hereinafter called the representative which term shall include all the representatives if more than one) or pending appointment of the representative by the next of kin of the deceased covenantor shall act as temporary successor to the deceased covenantor upon and subject to the terms contained in the following clauses of this agreement until the practice of the deceased covenantor (hereinafter called the practice) shall have been disposed of or until the expiration of one year after the death of the deceased covenantor or until due termination of this agreement whichever event shall first happen.
- 9.1 The surviving covenantor shall (subject to clause 9.2 of this agreement) with all reasonable diligence and skill carry on the practice and maintain the existing goodwill thereof (with a view to disposal thereof as soon as practicable for the benefit of the estate of the deceased covenantor) on behalf of and subject to the reasonable direction of the representative so far as shall be consistent with the law relating to and the professional practice and etiquette of solicitors but in the surviving covenantor's own name as temporary successor to the deceased covenantor and shall cause his name under that style together with the firm name (if any) of the practice to appear on the notepaper of the practice and shall effect any necessary registration with or notification to The Law Society.
- 9.2 In the conduct of the practice as temporary successor clause 2.1 and clauses 3.1 to 3.3, 3.4 and 3.7 (including the proviso in clause 3.3) (except as to carrying on business in the name of the incapacitated covenantor) hereof shall apply (with the substitution of references to "the representative" to "the surviving

covenantor" and to "the practice" for references to "the incapacitated covenantor" to "the attending covenantor" and to "the said practice" respectively and with any other necessary adaptations) so far as the same shall be consistent with the provisions of this clause and clause 10.

- 10.1 The surviving covenantor shall forthwith (without awaiting the grant of probate of letters of administration to the estate of the deceased covenantor) open and operate in the name of the practice (as being the practice of the deceased covenantor) at the banks at which the existing client and office accounts of the practice shall have been kept such temporary office and client accounts (hereinafter respectively called office and client suspense accounts) as shall be necessary for the continued running of the office and to enable the monies of existing clients receivable or payable after the death of the deceased covenantor in respect of transactions prior to the said death to be dealt with separately from the existing accounts pending the grant of probate or letters of administration and shall cause separate books of account of the practice to be opened and kept in respect of all transactions affecting such suspense accounts.
- 10.2 The representative or if none shall yet have been appointed the surviving covenantor shall forthwith arrange with the bank or banks concerned such overdraft facilities as may be necessary to place and keep such suspense accounts in funds pay office salaries and other expenses and pay out clients' monies pending the grant of probate or letters of administration. Upon such grant all overdrafts shall be paid off (any interest or charges in respect thereof being debited to office account) and the existing office and client accounts and the office and client suspense accounts respectively shall be merged. The representative (when appointed) shall if so required by the said bank or banks give an undertaking or guarantee as to payment off of overdrafts as aforesaid.
- 10.3 The surviving covenantor shall forthwith open and operate in his own name as temporary successor as aforesaid new client accounts with the said bank or banks in respect of all clients' business transacted after the death of the deceased covenantor and shall maintain his own books of account in respect

thereof but shall make such books available on reasonable notice for inspection and the taking of copies by the representative or persons authorised by him in connection with the valuation or disposal of the practice or purposes related thereto.

- 10.4 The surviving covenantor shall receive the net profit costs in respect of all contentious or non-contentious business transacted after the death of the deceased covenantor but shall pay thereout to the representative for the estate of the deceased covenantor on the 30th day of each month so much of such profit costs received during the preceding month as shall leave the surviving covenantor fairly and reasonably remunerated for all work done by him in accordance with the preceding provisions during the previous month (as if he had been acting as deputy under clause 1 hereof) together with reimbursement of all expenses reasonably incurred by him in connection with the practice and in the event of any dispute or question as to such remuneration or expenses the provision as to arbitration contained in clause 4 shall apply. If the amount of net profit costs received in any one month is less than the amount required to leave the surviving covenantor fairly and reasonably remunerated and reimbursed as aforesaid the amount of the deficiency may be carried forward to and retained out of such costs received in any following month.
11. Should the said practice remain unsold or undisposed of at the expiration of one year from the death of the deceased covenantor the surviving covenantor shall report the circumstances to The Law Society and shall apply for the authority of the said Society to continue this agreement.
- 12.1 This agreement shall commence on the date of the letter from the covenantor accepting the request of the other covenantor and may be determined by either covenantor or his personal representative giving to the other covenantor three calendar months' previous notice in writing expiring at any time.
- 12.2 If either covenantor shall commit a serious breach of this agreement the other covenantor or his personal representative may (without prejudice to any other

remedy open to him) forthwith by notice in writing to the other covenantor terminate this agreement summarily.

- 12.3 In the event of the name of either covenantor being struck off or removed from the roll of solicitors this agreement shall terminate this agreement automatically.
13. Nothing in this agreement shall be construed or have effect as constituting a partnership or a contract of service between the parties and each covenantor shall at all times be responsible for payment of his own professional indemnity insurance and other contributions and for payment of income tax as a self-employed person.

APPENDIX 3

From: [name of lawyer]

To:

Dated: 1998

Dear Sirs,

LETTER OF INTENT

1. IN CONSIDERATION of you undertaking to do the following:
- (1) incorporating a private limited company for the purposes of establishing and managing a Group Practice;
 - (2) starting-up a Group Practice; and
 - (3) incurring expenditures in pursuit thereof;
- I WARRANT UNDERTAKE AND AGREE with you as follows:
- (a) I agree to be a member of the Group Practice, and, in connection thereof, I undertake to enter into an Agreement (in the form annexed hereto and forming part of this letter) with the management company, and observe and perform all the terms of the said Agreement; and
 - (b) You are entitled to all rights and privileges, over and above (and without prejudice to) such as are provided by law as set out in the said Agreement and that I shall be bound to you thereunder as if you had signed the said Agreement with me.

Yours faithfully