

A partner did so but other partners refused to accept him.

COA: The clause was so wide and contained no restriction. The partners are considered to have consented in advance to the sons nomination.

8. Differences as to ordinary matters

- **Section 26 (h)** of PA, Any difference arising as to ordinary matters connected with the partnership business may be decided by a majority of the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners
- This section stated that if there is any differences as to any ordinary matters shall be decided by a majority of the partner
- Nevertheless, if there is a proposal to change the nature of the business, consent from all of the partners need to be obtained first

- Decision making:

Differences as to ordinary matters;

-by majority

Changing the nature of the business;

-consent by all

High v. Mark

FACT: There are 3 partners who have different views or perspective on how the partnership business should be run. The plaintiff (P) who is one of the partner applied for an injunction to prevent the other 2 partners who had resolve to introduce into the partnership is son with a view to venture into new business

ISSUE: Whether the decision relate to an ordinary matter connected with the partnership

HELD: The court held that this matter is in relation on ordinary matter concerning the partnership business and not related to the introduction of a new partner. Hence, the majority of the partner is sufficient because the son will only be needed for his expertise

Tham Kok Cheong v Low Pui Heng

One of the partners in the firm was not inform in the sale of the partnership. i.e. change in the nature of the business.

Held: As the plaintiff had not consented and aware of the sale of the partnership. The sale was ineffective. Partnership exist until the date when the plaintiff was informed.

Re a Solicitor's Arbitration

FACT: E, N and S are partners in a legal firm. In the partnership agreement, there was a clause stated that if any partner shall commit or be guilty on any act of professional misconduct, then the other partner may by notice in writing, expel him from the partnership. E served on the other 2 partners a notice to expel both of them from the partnership on the ground of their alleged misconduct

HELD: The court held that E had no power to expel both of them as he is not a majority. Alternatively, E will have to join with any 1 of N and S to expel 1 partner in the partnership

Facts: Partnership of 3 partners. A clause in PA provides "If any partner shall commit or be guilty of any act of professional misconduct...the other partners may by notice in writing given to him ...expel him from the partnership" One of the partners served on the other two partners a notice that expel them on the ground of misconduct.

Held: One partner cannot exercise the power so as to expel, even though they may be guilty of misconduct. He must join with anyone of the other two partners.

Green v Howell

FACT: there is a clause in the partnership agreement stated that in the event of any one of the partner breach any duty as a partner, the other partner are not entitled to expel them unless there is a good faith. Subsequently, 1 of the partner had breach the partnership agreement

HELD: The court held that a preliminary warning us needed and meeting must be held before expulsion can be executed. Furthermore, the partner who may be expelled need to be given a right to explain himself as stated in the natural justice

- Expulsion of a partner must be exercised in good faith and for a good reason.

Blisset v Daniel

'power of expulsion should be exercised in good faith'

H: Notice of expulsion was invalid – not in good faith.

Barnes v Young

A clause allowed the majority to expel a partner for breach of certain duties and in case of dispute the matter should go to arbitration. The majority expelled B but give no detail about the act complained of.

Romer J: Expulsion was unlawful. Good faith requires that B should be informed about the cause of complaint and he should be allowed to answer the allegation.

Green v Howell

Facts are similar with the above. The facts provided that the act of expulsion was done in good faith.

H: not necessary to disclose the reasons and causes of his flagrant act.