THEORY, TALION AND PARTNERS

PARTNERSHIP AGREEMENT

being the formation instrument of

Theory, Talion and Partners

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a limited liability partnership formed under Part VIII of the
Redmont Corporate Entities Act, and the Partnership Agreement
referred to in section 38(1) of that Act

FOUNDING PARTNERS

xXTheoryXx

Talion77

PARTNER

CreeperTD

Commonwealth of Redmont
Filed in the Company Register as the formation filing of the Partnership

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PART 1: FORMATION

1. Name, form and formation

(1) The name of the Partnership is **Theory, Talion and Partners**, and that is its Registered Name for the purposes of section 3(1)(v) of the Act.

(2) The Partnership is a limited liability partnership within section 5(3)(d) of the Act. This Agreement states, for the purposes of section 37(1) of the Act, that the Partnership is a limited liability partnership.

(3) This Agreement is the Partnership Agreement of the Partnership and its formation instrument under sections 3(1)(k) and 38(1) of the Act. The Partnership is formed under section 18(1) of the Act by the filing of this Agreement in a new record in the Company Register.

(4) The Partnership may trade as **TTP** and under any other abbreviation of its Registered Name that the Managing Partner approves, provided the Registered Name appears on every filing, engagement and invoice.

2. Purpose and term

(1) The purpose of the Partnership is the practice of law and the provision of legal, advisory, advocacy, drafting and related professional services in the Commonwealth of Redmont, and it may engage in any lawful activity in furtherance of or ancillary to that purpose.

(2) The Partnership has perpetual existence under section 5(2) of the Act.

3. Original Partners and in game company

(1) The incorporators of the Partnership, and its first Partners, are the persons named in Schedule 1 (the **Original Partners**). Of them, xXTheoryXx and Talion77 are the Founding Partners under clause 25, being the founders of the practice, and CreeperTD is admitted as an Equity Partner on formation without being a Founding Partner.

(2) The associated in game company of the Partnership for the purposes of sections 8 and 18(2)(d) of the Act is the in game company named **TTP**, or such other in game company as the Entity Profile records from time to time.

(3) The Managing Partner is the owner of the in game company, and the Partnership may request the Department of Commerce to change that owner under section 8(2) of the Act whenever the office of Managing Partner changes hands. Ownership of the in game company confers no interest in the Partnership.

4. The Record and the designated individual

(1) The Partnership's record in the Company Register (the **Record**) is kept in accordance with Part III of the Act. The Managing Partner keeps the Entity Profile current under section 17 of the Act and makes every filing for which the Partnership is responsible under section 16(3).

(2) The Managing Partner is the individual designated under section 17(3) of the Act to receive legal communications on the Partnership's behalf, and is the person to be summoned first under section 13(1)(a). The Managing Partner accepts that designation by taking office.

(3) The partner register required by section 38(2) of the Act is kept in the Entity Profile and shows, for each Partner, their name, their class under clause 8, whether they are a general or limited partner, and their Units. The register at formation is Schedule 1.

5. Definitions

(1) In this Agreement:

(a) **Absent** has the meaning given in clause 15.

(b) **Act** means the Redmont Corporate Entities Act, and a reference to a section is a reference to a section of the Act unless the context indicates a clause of this Agreement.

(c) **Associate** means a lawyer employed by the Partnership who is not a Partner.

(d) **BAR** means the Bar Association of Redmont, and **BAR Act** means the Bar Association of Redmont Act as amended or replaced from time to time.

(e) **Client Money** means money held by the Partnership for or on account of a client, including retainers not yet earned, settlement sums and money held in escrow.

(f) **Entrenched Provisions** means the provisions listed in clause 45.

(g) **Equity Partner** means a Partner who holds Units.

(h) **Fair Value** has the meaning given in clause 16.

(i) **Fees Collected** means fees actually received by the Partnership from a client on a matter, net of any amount refunded, and excludes Client Money and disbursements.

(j) **Financial Resolution** means a resolution of the Founding Partners and the Managing Partner under clause 36(5).

(k) **Founding Partner** means a person named in clause 25(1) at any time at which they hold Founding Partner status under clause 25, and **Founding Partners** means both of them acting jointly as clause 25(3) provides, or the one of them who holds that status where clause 25(5) or 25(6) applies.

(l) **Founding Partner Veto** means the power in clause 26.

(m) **Head of Practice** means the officer appointed under clause 28(3).

(n) **Judicial Office** means any office in the Judiciary of the Commonwealth of Redmont, including Magistrate, Judge and Justice, and any acting or temporary appointment to such an office.

(o) **Judicial Partner** means a Partner who holds Judicial Office.

(p) **Managing Partner** means the person holding that office under clause 22.

(q) **Managing Partner Veto** means the power in clause 24.

(r) **Non-Practising Partner** means an Equity Partner who is not a Practising Partner.

(s) **Operational Matter** has the meaning given in clause 24(2).

(t) **Ordinary Resolution** means a resolution of the Equity Partners passed under clause 19(4).

(u) **Partner** means an Equity Partner, and does not include a Salaried Partner except where this Agreement says so.

(v) **Partners' Channel** means the channel designated under clause 21(3).

(w) **Practising Partner** means an Equity Partner who holds Practising status under clause 8(3).

(x) **Public Office** means any office in the executive, legislative or judicial branch of the Commonwealth, in a town, or in the Federal Reserve Bank, and any other office to which the Conflict of Interest Standards Act applies.

(y) **Reserved Matter** means a matter listed in clause 20.

(z) **Salaried Partner** means a person given that title under clause 10.

(aa) **Special Resolution** means a resolution of the Equity Partners passed under clause 19(5).

(bb) **Unit** means a unit of partnership interest in the Partnership under clause 7.

(cc) **Working Credit** means the compensation payable under clause 37.

(2) Terms defined in section 3 of the Act have the same meaning in this Agreement.

6. Interpretation and relationship to the Act

(1) This Agreement is the formation instrument of the Partnership. Wherever the Act provides a rule that applies "unless otherwise provided", this Agreement provides otherwise to the extent it is inconsistent with that rule, as section 4(1) of the Act allows.

(2) Nothing in this Agreement displaces a provision of Parts XI, XII or XIX of the Act, or any other provision the Act states may not be displaced, and any clause of this Agreement that would do so is read down to the extent necessary.

(3) A reference to a document being signed, given, sent or posted is satisfied by any durable and attributable electronic means, as section 4(3) of the Act provides.

(4) A period of days runs from the moment of the triggering act, as section 4(4) of the Act provides.

(5) Where a clause admits more than one reading, the reading that keeps the Partnership operating and protects its clients and creditors is preferred.

(6) A failure to observe an internal formality of this Agreement does not invalidate an act of the Partnership as against a third party, and section 10 of the Act applies to every person who purports to bind the Partnership.

(7) Headings are for convenience only. The singular includes the plural. "Including" is without limitation.

PART 2: PARTNERS AND UNITS

7. Units

(1) The partnership interests in the Partnership are divided into Units. Each Unit carries one vote on every matter on which Equity Partners vote and an equal share of every distribution, subject to Working Credit under clause 37.

(2) At formation there are 300 Units, allocated as set out in Schedule 1. Units may be created, cancelled or reallocated only by Special Resolution under clause 20, and in the case of the Units of a particular Partner, only with that Partner's consent or on payment of Fair Value, as section 21(6) of the Act requires.

(3) All Units are of one class. The characteristics of a Unit may be varied only by amendment of this Agreement.

(4) Units held by the Partnership itself, or by an entity the Partnership controls, neither vote nor count towards quorum, as section 24(5) of the Act provides.

8. Classes and statuses of Partner

(1) There is one class of Partner under the Act, the Equity Partner. Every Equity Partner is recorded in the partner register as a general partner for the purposes of section 38(2) of the Act, manages the Partnership under section 27(1) of the Act as this Agreement provides, and has the protection of section 37(2) of the Act, so that no Equity Partner is liable for the obligations of the Partnership or for the acts or omissions of another Partner solely by reason of being a Partner.

(2) A Salaried Partner is not a Partner for the purposes of the Act, holds no Units, has no vote and has no authority to bind the Partnership beyond that given under clause 10.

(3) Every Equity Partner holds one of two statuses, recorded in the Entity Profile:

  (a) **Practising**, being an Equity Partner who is a member of the BAR in good standing, who does not hold Judicial Office or any other Public Office that bars its holder from practising law, and who has not given notice under clause 8(5); or

  (b) **Non-Practising**, being every other Equity Partner.

(4) Status changes automatically, without any resolution, on the event that changes it, and the Managing Partner shall update the Entity Profile without undue delay. A Partner shall inform the Managing Partner within 48 hours of any event that changes their status.

(5) A Practising Partner may elect to become Non-Practising by notice to the Managing Partner, and a Non-Practising Partner may resume Practising status by notice once the conditions in clause 8(3)(a) are met.

(6) Status affects only the matters this Agreement attaches to it, in particular Working Credit under clause 37 and the restrictions in clauses 30 and 31. It does not affect a Partner's Units, vote, distributions, offices or the Founding Partner Veto.

9. Admission of Equity Partners

(1) A person may be admitted as an Equity Partner only by Special Resolution, which is a Reserved Matter, and only if the person:

  (a) is an individual, or an entity approved for the purpose by the Founding Partners;

  (b) is not disqualified under section 83 of the Act; and

  (c) signs a Deed of Adherence in the form of Schedule 3.

(2) The resolution shall state the number of Units to be issued or transferred to the new Partner, their initial status, and any capital contribution required.

(3) Admission takes effect when it is filed under section 38(3) of the Act, and the Managing Partner shall file it, with the Deed of Adherence, without undue delay after the conditions in clause 9(1) are met.

(4) New Units issued on admission dilute all existing Units in proportion, unless the resolution provides otherwise with the consent of every Partner whose Units would otherwise be diluted.

10. Salaried Partners, Associates and staff

(1) The Managing Partner may confer the title of Salaried Partner on a lawyer employed by the Partnership, may appoint Associates, clerks, paralegals and other staff, and may set their terms, pay and duties by written contract.

(2) A Salaried Partner or Associate may bind the Partnership only within the authority the Managing Partner gives them in writing, and only in the ordinary course of the matters assigned to them.

(3) A Salaried Partner or Associate is not an officer of the Partnership for the purposes of section 16(1)(b) of the Act unless the Managing Partner designates them as an officer, in which case the designation is filed.

(4) The Managing Partner may withdraw the title of Salaried Partner at any time. Withdrawal of the title does not of itself end the person's employment.

11. Capital

(1) No capital contribution is required at formation. The Original Partners contribute the business, goodwill, files and name of the firm previously carried on as Theory, Talion and Partners, and those assets belong to the Partnership from formation.

(2) A capital call may be made only by Special Resolution, which is a Reserved Matter, and binds only those Partners who consent to it in writing. A Partner who does not consent is not in breach, and their Units are not affected, but the resolution may provide for additional Units to be issued to the contributing Partners in proportion to what they contribute.

(3) No Partner is entitled to interest on capital, and no Partner may withdraw capital except on departure under clause 16 or by Special Resolution.

12. Transfer and assignment of Units

(1) A Partner may not transfer Units to any person without the prior written consent of every other Equity Partner, and a transfer made without that consent is of no effect against the Partnership. This clause displaces the default in section 38(4) of the Act to the extent that section allows.

(2) A Partner may not assign the economic benefit of their Units, or grant security over them, without the prior written consent of the Managing Partner and the Founding Partners. Any assignment so consented to confers no vote, no access to information and no right to participate in the Partnership.

(3) A transfer or assignment takes effect on filing under sections 16(1)(e) and 38(3) of the Act.

13. Withdrawal

(1) An Equity Partner may withdraw from the Partnership by giving 14 days written notice to the Managing Partner. A Founding Partner may withdraw on the same notice, but the consequences in clause 25(6) follow.

(2) On the expiry of the notice the Partner ceases to be a Partner, their Units are dealt with under clause 16, and the Managing Partner files the withdrawal under section 38(3) of the Act. A Partner who has withdrawn may file their own withdrawal under section 16(3) of the Act.

(3) A withdrawing Partner shall, before the withdrawal takes effect, hand over every open matter, file and client communication in their possession to the Managing Partner or Head of Practice, and shall remain bound by clause 33.

(4) Withdrawal does not dissolve the Partnership, which continues with the remaining Partners. Where the withdrawal would leave the Partnership with no Equity Partner, it takes effect only on the completion of a winding up under clause 44.

14. Expulsion

(1) An Equity Partner may be expelled by Special Resolution, which is a Reserved Matter, passed by the Units other than those of the Partner concerned, where that Partner:

    (a) has been disbarred, or has been disqualified under section 83 of the Act;

    (b) has committed fraud on the Partnership or a client, or has misappropriated Client Money or Partnership money;

    (c) has committed a material breach of this Agreement and has not remedied it within 14 days after written notice from the Managing Partner or the Founding Partners specifying the breach;

    (d) has been Absent under clause 15 for 120 consecutive days; or

(e) has been convicted of an offence involving dishonesty, or has been the subject of a finding of a court that they breached a fiduciary duty to the Partnership.

(2) The Partner concerned shall be given at least 72 hours notice of the resolution and an opportunity to respond in the Partners' Channel before the vote closes.

(3) For the purposes of the resolution, the Units of the Partner concerned are not counted as voting power, and quorum and the required majority are calculated on the remaining Units.

(4) A Founding Partner may be expelled only on the ground in clause 14(1)(a), or by order of the Federal Court. The Founding Partner Veto does not apply to a resolution expelling a Founding Partner on that ground, and the concurrence of the Founding Partner concerned is not required for anything done under this Agreement in relation to that expulsion.

(5) An expelled Partner ceases to be a Partner on the filing of the resolution under section 38(3) of the Act, and their Units are dealt with under clause 16. Expulsion does not release the expelled Partner from any liability to the Partnership.

15. Absence

(1) An Equity Partner who has not joined the server for 45 consecutive days, and has not given the Managing Partner notice of a leave of absence stating an expected return date, is **Absent**.

(2) While a Partner is Absent, their Units are not entitled to vote and are not counted as voting power for quorum or for any majority, and any office they hold may be filled on an acting basis under clause 28. Their Units continue to share in distributions.

(3) Absence ends when the Partner joins the server and gives notice to the Managing Partner, and their voting rights revive from that moment for any resolution not yet closed.

(4) A Partner on notified leave of absence is not Absent for the period of the leave, up to a maximum of 90 days, but may direct that their Units be treated as Absent for that period.

16. Departure: valuation and payment

(1) When a Partner withdraws, is expelled or otherwise ceases to be a Partner (a **Departing Partner**), their Units are first offered to the remaining Equity Partners in proportion to their holdings at Fair Value, for 7 days. Units not taken up are cancelled and the Partnership pays the Departing Partner Fair Value for them.

(2) **Fair Value** is the amount the Units would fetch in a sale between a willing buyer and a willing seller having regard to the Partnership's net assets, its undistributed profits and its goodwill at the date of departure, disregarding the departure itself and without any discount for a minority holding. Fair Value is agreed between the Departing Partner and the Managing Partner within 14 days, failing which either may apply to the Federal Court to determine it in the manner set out in section 54(2) of the Act, as section 21(6) of the Act contemplates.

(3) The Departing Partner is also paid any Working Credit earned but unpaid, and their Units' share of any distribution declared before the departure. Any sum the Departing Partner owes the Partnership is set off.

(4) Payment by the Partnership is due within 30 days after Fair Value is agreed or determined, except that where immediate payment would contravene section 47 of the Act the Partnership may pay in instalments over no more than 90 days, and the unpaid balance is a debt of the Partnership.

(5) Where a Partner ceases to hold Units on the ground in clause 14(1)(b), the Partnership may deduct from the sum payable the loss the Partner caused it, without prejudice to any further claim.

(6) This clause does not apply to Units transferred under clause 12. A Partner who ceases to be a Partner because they have transferred all of their Units under clause 12 is not a Departing Partner, and no offer, cancellation or payment of Fair Value arises under this clause in respect of the Units transferred.

17. The firm name and goodwill

(1) The Registered Name, every abbreviation of it, the goodwill of the practice, the client relationships, the files and the in game company belong to the Partnership and to no Partner.

(2) xXTheoryXx and Talion77 each consent irrevocably to the use of their names in the Registered Name, and that consent survives their ceasing to be Partners, their holding any office, and any change in status.

(3) The Registered Name may be changed only by Special Resolution with the written consent of the Founding Partners, and the change is filed as an amendment under section 16(1)(a) of the Act. A change of name does not abate any action, as section 7(3) of the Act provides.

(4) The inclusion of a person's name in the Registered Name does not imply that the person is involved in any matter, and nothing in the Registered Name is to be held out as suggesting that a Judicial Partner will act in or influence any matter.

PART 3: GOVERNANCE

18. Management of the Partnership

(1) The business and affairs of the Partnership are managed by the Equity Partners collectively through resolutions under clause 19, and day to day by the Managing Partner under clauses 22 to 24, subject in every case to the Founding Partners under clauses 25 to 27.

(2) The governance of the Partnership therefore has three layers:

  (a) the Partners, who decide Reserved Matters by Special Resolution and any other matter by Ordinary Resolution;

  (b) the Managing Partner, who runs the practice, binds the Partnership in the ordinary course, and may veto Operational Matters decided by others; and

  (c) the Founding Partners, who acting jointly may veto any resolution, decision or act, and whose joint consent is required for the Entrenched Provisions.

(3) Every Equity Partner is an agent of the Partnership for the purposes of section 9 of the Act and owes the Partnership the duties in that section. A Partner shall disclose to the Managing Partner any conflict of interest in a matter of the Partnership as soon as they become aware of it.

(4) A Partner may bind the Partnership in the ordinary course of the matters assigned to them. Outside the ordinary course, only the Managing Partner within the authority limit in Schedule 2, or the Partners by resolution within the bands in Schedule 2, may bind the Partnership. Section 10 of the Act governs the position of a third party in any case.

19. Resolutions of the Partners

(1) Any Equity Partner may call for a resolution by posting it in the Partners' Channel or in the Record, stating the text of the proposed resolution and whether it is proposed as an Ordinary Resolution or a Special Resolution.

(2) A resolution remains open for votes for 48 hours from posting, as section 23(4) of the Act requires. It may be decided sooner only by written consent under clause 21.

(3) Votes are cast by Units. The quorum for any resolution is 50% of all Units entitled to vote, and an express abstention counts towards quorum, as section 24(1) of the Act provides. Where a resolution fails for want of quorum, section 24(2) of the Act applies, except that the reduced quorum in section 24(2)(c) does not apply to a Reserved Matter.

(4) An **Ordinary Resolution** passes on a simple majority of the Units voted, subject to quorum.

(5) A **Special Resolution** passes only with the votes of at least two thirds of all Units entitled to vote, whether or not those Units are voted, which satisfies section 24(4) of the Act.

(6) A resolution that requires a filing under section 16 of the Act takes effect on the filing. Any other resolution takes effect when the vote closes, or at any later time it states.

(7) Every resolution is subject to the Founding Partner Veto under clause 26. An Ordinary Resolution on an Operational Matter is also subject to the Managing Partner Veto under clause 24.

(8) The Managing Partner keeps a record of every resolution and its result, and files those that section 16 of the Act requires.

20. Reserved Matters

(1) The following are **Reserved Matters** and may be decided only by Special Resolution:

(a) amendment of this Agreement, subject to clause 41 and clause 45;

(b) admission of an Equity Partner, and the creation, cancellation or reallocation of Units;

(c) expulsion of a Partner;

(d) a capital call;

(e) appointment or removal of the Managing Partner;

(f) a conversion, merger, consolidation or division under clause 42;

(g) dissolution under clause 44;

(h) a change of the Registered Name;

(i) borrowing, guaranteeing or granting security above the Special Resolution threshold in Schedule 2;

(j) the acquisition or disposal of an interest in another entity, or of the whole or a substantial part of the practice;

(k) any matter this Agreement or the Act requires to be decided by more than an Ordinary Resolution.

(2) The Managing Partner Veto does not apply to a Reserved Matter. The Founding Partner Veto applies to every Reserved Matter except as clause 26(5) provides.

21. Written consent and notice

(1) Any action that may be taken by resolution may instead be taken by written consent under section 25 of the Act, given by Partners holding the Units that would be required to pass the resolution. The consent is recorded in a single message thread or filing naming each consenting Partner, takes effect when the last consent needed is given, and is filed in place of the resolution where section 16 of the Act requires a filing. Notice of an action taken by written consent is given without undue delay to every Equity Partner who did not consent.

(2) Written consent does not avoid the Founding Partner Veto or the Managing Partner Veto, and the period for exercising either runs from the time the consent is complete.

(3) The Managing Partner designates a channel that every Equity Partner can access as the **Partners' Channel**. A message in the Partners' Channel is notice to every Equity Partner under section 26(1) of the Act, and a resolution posted there satisfies section 23(3) of the Act.

(4) Notice to an individual Partner is validly given by any means in section 26(1) of the Act. Section 26(2) and (3) of the Act apply to waiver and defects.

22. The Managing Partner

(1) There is a Managing Partner, who is an Equity Partner. The first Managing Partner is **xXTheoryXx**.

(2) The Managing Partner holds office until they resign by notice to the Partners' Channel, cease to be an Equity Partner, are removed by Special Resolution, or are disqualified under section 83 of the Act.

(3) A successor is appointed by Special Resolution from among the Equity Partners. Pending an appointment, the Deputy Managing Partner acts, and failing a Deputy, an Equity Partner the Founding Partners jointly designate acts.

(4) The appointment, resignation or removal of a Managing Partner is filed under section 16(1)(b) of the Act and takes effect on filing.

(5) The Managing Partner may be a Non-Practising Partner, including a Judicial Partner, in which case clause 31(4) applies.

23. Powers and duties of the Managing Partner

(1) Subject to this Agreement, the Managing Partner has the powers of the Partnership in the ordinary course of its business and, without limitation, may:

   (a) accept, decline, assign and reassign matters, and set the terms of engagement and the fees for any matter;

   (b) engage, direct, discipline and dismiss Salaried Partners, Associates and staff, and set their pay within Schedule 2;

   (c) open and operate the Partnership's accounts and hold its funds and Client Money;

   (d) incur expenditure, enter contracts, and borrow, up to the Managing Partner authority limit in Schedule 2 per transaction;

   (e) make every filing in the Record and keep the Entity Profile current;

   (f) appoint and remove officers under clause 28 and delegate any power to them in writing;

   (g) represent the Partnership before the Department of Commerce, the BAR, the courts and third parties;

   (h) declare distributions and set reserves under clause 39;

   (i) apportion Working Credit under clause 37; and

   (j) do anything else necessary for the conduct of the practice that is not a Reserved Matter.

(2) The Managing Partner shall:

   (a) keep the books and records under clause 36 and report to the Partners' Channel at least monthly on fees, expenses, distributions, open matters and staff;

   (b) keep Client Money separate under clause 34;

(c) ensure that a Practising Partner or a Head of Practice supervises every matter, and observe clause 32;

(d) comply with clause 43 on insolvency; and

(e) give each Founding Partner notice of every decision that would be subject to the Founding Partner Veto, sufficient to allow the veto to be exercised.

(3) The Managing Partner is not entitled to remuneration for the office unless an Ordinary Resolution provides for it, but receives Working Credit for any matter they personally conduct as a Practising Partner.

24. The Managing Partner Veto

(1) The Managing Partner may veto any decision on an Operational Matter that is taken by an Equity Partner, a Salaried Partner, an officer, an Associate or the Partners by Ordinary Resolution (the **Managing Partner Veto**).

(2) An **Operational Matter** is any of the following:

(a) the acceptance or declining of a client or matter, and the terms of any engagement;

(b) fees, discounts, write offs and payment terms;

(c) the assignment of matters and the staffing of the practice;

(d) the engagement, pay, discipline or dismissal of any Salaried Partner, Associate or staff member;

(e) expenditure and contracts below the Special Resolution threshold in Schedule 2;

(f) marketing, advertising, public statements and the use of the Registered Name;

(g) the opening, closing or operation of any office, shop or in game premises;

(h) the conduct of any matter, including the filing of any pleading, the making or acceptance of any offer, and the settlement of any claim; and

(i) any other matter of day to day management that is not a Reserved Matter.

(3) The Managing Partner Veto is exercised by notice in the Partners' Channel, or to the person whose decision is vetoed, within 48 hours after the Managing Partner has notice of the decision. Reasons are not required. A vetoed decision is of no effect, and a resolution so vetoed may not be reposted in substantially the same terms within 14 days without the Managing Partner's consent.

(4) The Founding Partners may jointly override a Managing Partner Veto, each giving notice in the Partners' Channel within 7 days of its exercise, whereupon the decision stands as if it had never been vetoed.

(5) The Managing Partner Veto does not extend to:

(a) a Reserved Matter, or any Special Resolution;

(b) any exercise of the Founding Partner Veto, of the Founding Partners' override, or of any other power of the Founding Partners;

(c) a filing the Act requires, a step section 72 of the Act requires, or compliance with an order of a court, a direction of the BAR or a lawful requirement of the Department of Commerce;

(d) a Partner's withdrawal, a Partner's exercise of rights under section 12 of the Act, or a Partner's compliance with their own professional or recusal obligations; or

(e) a decision the Founding Partners have jointly directed in writing.

(6) Where the Managing Partner is a Founding Partner, a veto exercised by that person alone is a Managing Partner Veto. It becomes a Founding Partner Veto if the other Founding Partner concurs in it under clause

26(2), and the override in clause 24(4) is not available against a Managing Partner Veto exercised by a Founding Partner, since the override would require the concurrence of the person who exercised it.

(7) The Managing Partner Veto operates internally. A third party who has dealt with the Partnership in good faith is protected by section 10 of the Act, and a person who acted contrary to a Managing Partner Veto of which they had notice is liable to the Partnership for any resulting loss.

25. The Founding Partners

(1) The **Founding Partners** are **xXTheoryXx** and **Talion77**. Each of them holds Founding Partner status at any time at which they hold at least one Unit, subject to clauses 25(6) and 25(7), and together they are the Founding Partners.

(2) The Founding Partners hold, in addition to the rights attaching to their Units and to any office they hold:

(a) the Founding Partner Veto under clause 26;

(b) the power to override a Managing Partner Veto under clause 24(4);

(c) the casting decision in a deadlock under clause 27;

(d) the power to designate an acting Managing Partner under clause 22(3);

(e) the consent rights in clauses 9(1)(a), 12(2), 17(3), 31(8), 34(2), 42(3) and 45; and

(f) each of them, unrestricted access to the information of the Partnership under section 12(1) of the Act, whether or not that Founding Partner holds an office.

(3) Except for the access in clause 25(2)(f) and the designation of a deputy under clause 26(7), the powers of the Founding Partners are exercised jointly. A veto, override, casting decision, designation or consent is effective only when both Founding Partners have given it, neither Founding Partner may exercise any of those powers alone, and neither may be compelled by the other to join in exercising them. Nothing in this clause limits the vote each Founding Partner casts on their own Units.

(4) The powers of the Founding Partners are personal. They are not transferable with Units, do not pass on any transfer or assignment, and may not be exercised by any other person except a deputy designated under clause 26(7).

(5) The concurrence of a Founding Partner is not required, and the other Founding Partner exercises the powers in this clause alone, for any period during which the first Founding Partner:

(a) is disqualified under section 83 of the Act or disbarred;

(b) is Absent under clause 15; or

(c) is on notified leave of absence and has not designated a deputy under clause 26(7).

Where both Founding Partners are in any of those positions at the same time, the powers in this clause and in clause 26 are suspended until one of them is not.

(6) When a Founding Partner ceases to hold any Unit, they cease to be a Founding Partner, and the other Founding Partner thereafter exercises the powers in this clause and in clause 26 alone. When neither of the persons named in clause 25(1) holds any Unit, the office of Founding Partner lapses, every power in this clause and in clause 26 ceases, and any reference in this Agreement to the consent, direction or veto of the Founding Partners is thereafter read as a reference to a Special Resolution.

(7) When a person named in clause 25(1) who has ceased to be a Founding Partner again comes to hold at least one Unit, their Founding Partner status is restored from the moment their admission under clause 9(3), or the transfer of those Units under clause 12(3), takes effect. Where the office of Founding Partner had lapsed

under the second sentence of clause 25(6), the office revives at that moment, every power in this clause and in clause 26 is restored, the reading of references to the Founding Partners as references to a Special Resolution ceases, and clause 45(2) applies again. From that moment clause 25(3) applies again, so that whenever both persons named in clause 25(1) hold Founding Partner status their powers are exercised jointly.

(8) Clause 25(7) confers no right on a person who holds no Units. While a person named in clause 25(1) holds no Unit, they have no right to be admitted as a Partner, to acquire or be offered Units, to be consulted on or to consent to any matter, to receive information about the Partnership, or to exercise any power under this Agreement. They may again come to hold Units only by admission under clause 9 or by transfer under clause 12, and Units acquired in any other way do not restore Founding Partner status.

(9) Restoration under clause 25(7) operates from the moment it takes effect and not before. It does not revive any veto, override, casting decision, consent, designation of a deputy or standing direction given before the person ceased to be a Founding Partner or before the office lapsed, and it does not reopen or invalidate any resolution, decision or act, or any amendment of this Agreement, made while that person did not hold Founding Partner status.

26. The Founding Partner Veto

(1) Notwithstanding any other provision of this Agreement, the Founding Partners, acting jointly, may veto any Ordinary Resolution, Special Resolution, written consent, decision or act of the Partnership, of the Partners, of the Managing Partner, of any officer, or of any Partner, Salaried Partner or Associate acting in that capacity (the **Founding Partner Veto**).

(2) The Founding Partner Veto is exercised by each Founding Partner giving notice in writing in the Partners' Channel or in the Record, and takes effect when the second of those notices is given. Reasons are not required. It may be exercised:

(a) in advance, as a standing direction given by both Founding Partners that a described class of decision or act is not to be taken without their consent; or

(b) after the event, provided that both notices are given within 7 days after the later of the Founding Partners has notice of the resolution, consent, decision or act.

A notice given by one Founding Partner alone has no effect unless the other Founding Partner concurs within that period, and until then the resolution, consent, decision or act stands.

(3) A resolution, consent, decision or act that is vetoed is of no effect as between the Partners and the Partnership. A vetoed resolution may not be reposted in substantially the same terms within 30 days without the written consent of the Founding Partners, and a resolution passed in defiance of a standing direction is of no effect without any further exercise of the veto.

(4) The Founding Partner Veto operates internally. A third party who has dealt with the Partnership in good faith is protected by section 10 of the Act, and a person who acted contrary to a Founding Partner Veto or standing direction of which they had notice is liable to the Partnership for any resulting loss and may be removed from any office they hold.

(5) The Founding Partner Veto may not be used to prevent:

(a) a filing the Act requires, a step section 72 of the Act requires, a petition under the Bankruptcy Act that section 72(2)(b) of the Act calls for, or compliance with an order of a court, a direction of the BAR or a lawful requirement of the Department of Commerce;

(b) a Partner's withdrawal under clause 13, a Partner's exercise of rights under section 12 or section 21(6) of the Act, or a Partner's compliance with their own professional, conflict of interest or recusal obligations;

(c) a resolution expelling a Founding Partner on the ground in clause 14(1)(a); or

(d) the payment of Working Credit that has been earned, or of a distribution that has been declared.

(6) The Founding Partner Veto is a power to block and not a power to compel. Nothing in this clause authorises the Founding Partners to take a decision that this Agreement assigns to another person or body, except through the casting decision in clause 27 and the powers in clause 25(2).

(7) A Founding Partner may, by notice in the Partners' Channel, designate an Equity Partner other than the other Founding Partner as deputy to exercise that Founding Partner's part in the Founding Partner Veto and in the other joint powers in clause 25(2) during a stated period of leave not exceeding 60 days. The designation may be revoked at any time and lapses at the end of the period.

(8) The exercise of the Founding Partner Veto in accordance with this clause is an exercise of a power conferred by the formation instrument, and a resolution rendered of no effect by it is not a resolution to which section 29 of the Act applies.

27. Deadlock

(1) Where a matter necessary to the continued operation of the Partnership has been put to the Partners and has failed to pass, or has been vetoed under clause 24 and the veto has not been overridden, and 14 days have passed without the matter being decided, the Founding Partners may jointly decide the matter, each giving notice in the Partners' Channel, and that decision has the effect of an Ordinary Resolution.

(2) The casting decision may not be used to decide a Reserved Matter, to expel a Partner, or to take any step listed in clause 26(5).

(3) Where the deadlock persists for 30 days, or where there is no Founding Partner able to act, any Equity Partner may apply to the Federal Court under section 30 of the Act.

28. Officers

(1) The Managing Partner may appoint and remove officers under section 27(4) of the Act, give them titles, and define their authority in writing. The appointment or removal of an officer is filed under section 16(1)(b) of the Act.

(2) The Managing Partner may appoint an Equity Partner as **Deputy Managing Partner**, who exercises the powers of the Managing Partner whenever the Managing Partner is Absent, is on notified leave, or has been unreachable for 7 consecutive days, and at any other time with the Managing Partner's authority.

(3) The Managing Partner shall appoint a **Head of Practice**, who is a Practising Partner or, failing any Practising Partner willing to serve, a Salaried Partner or Associate who is a member of the BAR in good standing and holds a rank sufficient to appear in the courts in which the Partnership's matters are heard. The Head of Practice supervises the conduct of every matter, is the client contact of record where the Managing Partner is a Non-Practising Partner, and may be given any of the Managing Partner's powers in clause 23(1)(a) and (g).

(4) Every officer is an agent of the Partnership for the purposes of section 9 of the Act and acts subject to the Managing Partner Veto and the Founding Partner Veto.

29. Challenge to resolutions and disputes

(1) A resolution contrary to this Agreement, or taken by a procedure materially departing from it or from the Act, is voidable under section 29 of the Act, and any Equity Partner may apply to the Federal Court within the periods in section 29(2).

(2) Before commencing any proceeding against the Partnership or another Partner arising out of this Agreement, a Partner shall raise the matter in the Partners' Channel and allow 7 days for the Managing Partner, or where the Managing Partner is concerned, the Founding Partner who is not the Managing Partner, to propose a resolution. This clause does not delay any application the Act or a court requires within a shorter period.

(3) The Federal Court of Redmont has jurisdiction over every dispute arising out of this Agreement.

PART 4: THE PRACTICE

30. Practising Partners and professional standing

(1) Only a Practising Partner, a Salaried Partner or an Associate who is a member of the BAR in good standing may conduct a matter, appear for a client, be named as counsel on any filing, or advise a client on the merits of a matter in the name of the Partnership.

(2) Every lawyer in the Partnership shall inform the Managing Partner within 24 hours of any conduct strike, suspension, disbarment proceeding or other disciplinary step affecting them, and of any change in their BAR rank or standing.

(3) A Practising Partner who ceases to be a member of the BAR in good standing becomes a Non-Practising Partner automatically under clause 8(4) and shall hand over their open matters to the Head of Practice at once.

(4) Supervision of any lawyer who requires supervision under the BAR Act is the responsibility of the Head of Practice or of a Practising Partner the Managing Partner designates.

(5) Every Partner and lawyer of the Partnership shall comply with the BAR Act, the Judicial Standards Act and the court rules, and no Partner shall cause the Partnership to take a matter that would require any lawyer of the Partnership to act contrary to them.

31. Partners holding judicial or public office

(1) An Equity Partner who takes Judicial Office, or any other Public Office whose holder may not practise law, becomes a Non-Practising Partner automatically on taking office, and remains Non-Practising for as long as they hold it. The Managing Partner records the change in the Entity Profile.

(2) A Judicial Partner keeps their Units, their share of distributions, their vote, any office they hold in the Partnership, and, where applicable, the powers of a Founding Partner. Nothing in this clause requires a Judicial Partner to divest, and the Partners acknowledge that the Conflict of Interest Standards Act treats a Judicial Partner's interest in the Partnership as a declarable interest to be managed by recusal.

(3) A Judicial Partner shall not:

   (a) appear for a client, be named as counsel on any filing, or advise a client on the merits of a matter;

   (b) take part in the decision to accept, decline or settle any matter, or in the strategy or conduct of any matter, that is before or is likely to come before any court;

(c) access privileged material in any open matter, other than the summary information in clause 31(6) and the financial information needed for the management of the Partnership; or

(d) receive any communication from a Partner, Salaried Partner, Associate or client of the Partnership about a matter pending before the Judicial Partner, and every Partner and lawyer of the Partnership shall refrain from any such communication.

(4) A Judicial Partner who holds the office of Managing Partner shall delegate to the Head of Practice, in writing, every power in clause 23(1)(a) so far as it concerns the merits, strategy or conduct of matters, together with all client contact on those subjects, and shall not withdraw that delegation while holding Judicial Office. The Judicial Partner retains the remaining powers and duties of the Managing Partner, including finance, staffing, filings and the Managing Partner Veto, except that the Managing Partner Veto may not be exercised by a Judicial Partner in respect of a decision within clause 24(2)(h).

(5) The Partnership shall not hold out the Judicial Office of any Partner as conferring any advantage on a client, shall not advertise the Judicial Partner as available to clients, and shall not accept a matter on the footing that a Judicial Partner will influence it.

(6) The Managing Partner or Head of Practice keeps a current list of every open matter of the Partnership, showing the parties, the court and the presiding officer, and makes it available to each Judicial Partner solely to enable them to identify matters from which they must recuse. The Partnership shall notify a Judicial Partner promptly whenever it accepts a matter before the court on which that Partner sits.

(7) The recusal, disclosure and declaration obligations of a Judicial Partner under the Judicial Standards Act and the Conflict of Interest Standards Act are the Judicial Partner's own, and nothing in this Agreement obliges the Partnership to decline a matter because a Judicial Partner sits on the court concerned.

(8) An Equity Partner who holds any other Public Office shall comply with the Conflict of Interest Standards Act in respect of their interest in the Partnership, shall recuse from any matter of the Partnership that involves the office they hold, and shall not cause the Partnership to act for or against the governmental entity they serve without the written consent of the Founding Partners.

(9) On ceasing to hold the office concerned, the Partner may resume Practising status by notice under clause 8(5).

32. Practice continuity

(1) The Partnership shall not accept a new matter, and shall not continue to conduct an open matter beyond what is necessary to protect the client, unless at least one Practising Partner or a Head of Practice in good standing with the BAR is in place to supervise it.

(2) Where the Partnership has no Practising Partner and no Head of Practice for 14 consecutive days, the Managing Partner shall inform every client with an open matter, shall offer to transfer each open matter to counsel of the client's choice, and shall report the position to the Partners' Channel.

(3) Nothing in this clause prevents the Partnership from carrying on non-contentious work that the BAR Act does not reserve to lawyers, or from engaging outside counsel to conduct a matter on the Partnership's instructions.

33. Clients, conflicts and confidentiality

(1) Before accepting a matter, the lawyer proposing to take it shall check it against the Partnership's list of clients and open matters for conflicts, and shall not accept a matter against a current client of the Partnership without the informed written consent of both clients.

(2) Every Partner, Salaried Partner, Associate and staff member shall keep confidential all information relating to the Partnership's clients and matters, and all information relating to the affairs of the Partnership itself, during and after their association with the Partnership, subject only to disclosure required by law, by a court or by the BAR.

(3) Attorney client privilege belongs to the client. No Partner shall waive it, and no Partner shall disclose privileged material to a Non-Practising Partner except as clause 31 allows.

(4) For 30 days after ceasing to be a Partner, a Departing Partner shall not solicit any client of the Partnership in respect of a matter the Partnership was conducting at the date of departure, nor solicit any Salaried Partner, Associate or staff member to leave the Partnership. A client remains free to instruct whomever they choose.

34. Client money and fees

(1) Client Money is held separately from the Partnership's own money, is accounted for by client and matter, and is never used for the Partnership's expenses, distributions or Working Credit. Client Money is not an asset of the Partnership, and the Partners acknowledge that commingling it with Partnership or personal funds is conduct of the kind described in section 11(6)(c) of the Act.

(2) All fees for the Partnership's work are payable to the Partnership. No Partner, Salaried Partner or Associate may accept a fee, gift or benefit from a client of the Partnership personally, or conduct legal work for reward outside the Partnership, without the written consent of the Managing Partner and, in the case of the Managing Partner, of the Founding Partners.

(3) The Managing Partner sets the Partnership's fee scale and terms of engagement, and may authorise pro bono work.

35. Firm property, records and access

(1) All files, precedents, templates, client lists, accounts, channels, bots, websites, in game property and other property acquired or created in the course of the practice belong to the Partnership.

(2) Every Equity Partner has the access to information given by section 12(1) of the Act, subject to clause 31(3)(c) in the case of a Judicial Partner and to the Managing Partner's power under section 12(3) of the Act to withhold information, for a reasonable period, that is privileged in favour of a client or that would damage the Partnership if disclosed.

(3) The Partnership shall disclose its beneficial ownership to the Department of Commerce on request, as section 12(4) of the Act requires.

PART 5: FINANCE AND DISTRIBUTIONS

36. Accounts and financial parameters

(1) The Managing Partner keeps books of account recording every receipt and payment of the Partnership, every receipt and payment of Client Money, the Fees Collected on each matter, the Working Credit apportioned on each matter, and every distribution.

(2) The Managing Partner posts a statement of the Partnership's cash, receivables, liabilities and distributable reserves in the Partners' Channel at least once in every calendar month, and on request of either Founding Partner at any time.

(3) The financial year of the Partnership is the calendar month, and the Partnership's net profit or loss is struck at the end of each month.

(4) The financial parameters of the Partnership, being the Working Credit percentage, the supervision percentage, the reserve percentage, the Managing Partner authority limit, the Ordinary Resolution band, the Special Resolution threshold, the staff pay cap, and any other figure this Agreement refers to Schedule 2, are set by Financial Resolution. The parameters at formation are those in Schedule 2.

(5) A **Financial Resolution** is passed when the Founding Partners and the Managing Partner have each consented in writing, in the Partners' Channel, to the same figures. Where the Managing Partner is a Founding Partner, that person consents once in both capacities. A Financial Resolution is not a Reserved Matter, is not put to the Partners, and is not subject to the Managing Partner Veto or the Founding Partner Veto, since every holder of those powers must join in it.

(6) A Financial Resolution is filed in the Record, takes effect on filing or at any later time it states, and applies to Fees Collected, transactions and pay periods after it takes effect. It does not reduce Working Credit already earned or a distribution already declared. Where the Units of the persons joining in a Financial Resolution do not together carry a majority of all Units, it takes effect only when confirmed by Ordinary Resolution carrying a majority of all Units.

(7) Schedule 2 is subject matter delegated under section 18(4) of the Act to Financial Resolutions. A Financial Resolution replaces the entry concerned in Schedule 2 without any amendment of this Agreement under clause 41, and the Managing Partner states the current parameters in the Entity Profile.

37. Working Credit

(1) A Practising Partner who conducts a matter is entitled, as reasonable compensation for services actually rendered within section 47(6) of the Act, to a Working Credit equal to the Working Credit percentage in Schedule 2 of the Fees Collected on that matter.

(2) Where more than one Practising Partner conducts a matter, the Managing Partner apportions the Working Credit between them according to the work each did, and their apportionment is final unless changed by Ordinary Resolution.

(3) Where a matter is conducted by a Salaried Partner or an Associate, no Working Credit arises and the lawyer is paid under their contract. Where a Practising Partner supervises such a matter, the Managing Partner may allow that Partner a supervision credit not exceeding the supervision percentage in Schedule 2 of the Fees Collected on it.

(4) Working Credit is paid when the Fees Collected on which it is calculated are received, or at the next monthly statement, and is an expense of the Partnership before profit is struck.

(5) A Non-Practising Partner earns no Working Credit, but a Judicial Partner or other Non-Practising Partner who performs non-contentious work that clause 31 does not prohibit, at the request of the Managing Partner, may be allowed a credit on the same basis for that work.

38. Profit and loss

(1) The net profit of the Partnership for a month is its Fees Collected and other income for the month, less Working Credit, staff pay, expenses, taxes, and any amount transferred to reserves under clause 39.

(2) Net profit belongs to the Equity Partners in proportion to their Units, whatever their status.

(3) A net loss for a month is carried forward and set against future profits. No Partner is obliged to contribute to a loss except under a capital call to which they have consented under clause 11(2), and nothing in this clause

increases the personal liability of any Partner within section 21(3) of the Act.

39. Distributions and reserves

(1) The Managing Partner declares a distribution of net profit to the Equity Partners in proportion to their Units at least once in every calendar month in which distributable reserves permit, and may declare interim distributions at any time.

(2) The Managing Partner may retain in reserve up to the reserve percentage in Schedule 2 of the net profit of any month for working capital, and a higher amount with the approval of an Ordinary Resolution.

(3) Section 47 of the Act applies to every distribution as it applies to a distribution by a limited liability partnership under section 47(5). No distribution is made except out of distributable reserves, and none is made if after it the Partnership would be unable to pay its debts as they fall due or its liabilities would exceed its assets. A Partner who receives a distribution knowing that it contravened section 47 shall repay it, and a Managing Partner who approves such a distribution is liable as section 47(3) provides.

(4) Working Credit, staff pay and the repayment on its ordinary terms of any debt the Partnership owes a Partner are not distributions.

40. Liability and indemnity

(1) The Partnership is solely liable for its own debts, obligations and liabilities under section 11(1) of the Act. Under section 37(2) of the Act, no Partner is liable for the obligations of the Partnership or for the acts or omissions of another Partner solely by reason of being a Partner, and no Partner assumes personal liability for any obligation of the Partnership by this Agreement.

(2) Each Partner remains liable for their own wrongful acts and for any obligation they voluntarily assume, as section 37(3) of the Act provides.

(3) The Partnership indemnifies every Partner, officer, Salaried Partner and Associate against any liability, cost or expense incurred in good faith in the conduct of the Partnership's business and within their authority, except a liability arising from that person's fraud, wilful misconduct, breach of clause 34, conduct for which they received a conduct strike, or an act taken contrary to a veto or standing direction of which they had notice.

(4) Every Partner and officer is fully protected in relying in good faith on the records of the Partnership and on the information and advice of others, as section 9(6) of the Act provides.

PART 6: CHANGES, INSOLVENCY AND DISSOLUTION

41. Amendment

(1) This Agreement may be amended only by Special Resolution, subject to the Founding Partner Veto, and, in the case of the Entrenched Provisions, only with the written consent of the Founding Partners under clause 45.

(2) An amendment that would increase the personal liability of any Partner takes effect only against the Partners who expressly accept it, as section 21(3) of the Act provides. An amendment that would forfeit, cancel or compel the transfer of a Partner's Units takes effect against that Partner only with their consent or on payment of Fair Value, as section 21(6) of the Act provides.

(3) The Managing Partner files every amendment under section 16(1)(a) of the Act, setting out each provision created, altered or removed with its text before and after the amendment, and files a consolidated text whenever section 16(7) of the Act requires one.

(4) An amendment takes effect on filing and does not affect an existing cause of action or pending legal action, as section 21(2) of the Act provides.

42. Conversion, merger, consolidation and division

(1) A conversion of the Partnership into another form of Incorporated Entity under section 22 of the Act, and a merger, consolidation or division under Part XVII of the Act, may be approved only by Special Resolution, subject to the Founding Partner Veto.

(2) The Managing Partner files the Certificate in the Record and obtains the signature of the Secretary of the Department of Commerce as the Act requires.

(3) The Partners acknowledge that a merger or acquisition involving another law firm is a matter within this clause and that no Partner may commit the Partnership to one, or disclose the Partnership's confidential information in negotiating one, without the approval of the Founding Partners.

43. Insolvency duties

(1) Every Equity Partner is a person to whom section 72 of the Act applies. Where the Partners know, or ought reasonably to know, that the Partnership is insolvent within section 72(1), they shall within 7 days restore its solvency, file a petition under the Bankruptcy Act, or apply to the Federal Court for the appointment of a receiver, and during that period shall observe section 72(3).

(2) The Managing Partner is responsible for filing the notice required by section 72(4) of the Act, and any Equity Partner may file it if the Managing Partner has not done so within 48 hours of the duty arising.

(3) No veto, standing direction or resolution under this Agreement may prevent or delay compliance with section 72 of the Act, and any purported exercise to that effect is of no effect.

(4) Section 73 of the Act applies to any Partner who contravenes section 72, and the Partnership, a receiver, a creditor or the Department of Commerce may bring the claim that section allows.

44. Dissolution and winding up

(1) The Managing Partner may adopt and file a resolution advising dissolution under section 68(1)(a) of the Act. The dissolution must then be approved by Special Resolution, which is filed, and is subject to the Founding Partner Veto.

(2) A voluntary dissolution may not be commenced while the Partnership is insolvent. Sections 69(5) and 88(3) of the Act apply, and an insolvent Partnership proceeds under the Bankruptcy Act.

(3) On approval of a dissolution the Partnership winds up its affairs under Part XVIII of the Act. The Managing Partner conducts the winding up unless the dissolution resolution names another Equity Partner, and shall complete every open matter or transfer it to counsel of the client's choice, return all Client Money, give the notices required by section 69 of the Act, end all contracts, pay all creditors and conclude all legal actions.

(4) The remaining assets are distributed among the Equity Partners in proportion to their Units, and no distribution is made to a Partner until every creditor has been paid or provided for, as section 70(2) of the Act requires. A Partner who receives a distribution in a winding up is subject to section 69(6) of the Act.

(5) The Managing Partner files the Certificate of Dissolution under section 71 of the Act, and the Partnership ceases to exist on the signature of the Certificate being filed.

45. Entrenched Provisions

(1) The following are the **Entrenched Provisions**: clauses 14(4), 17(2), 17(3), 18(2)(c), 20(2), 22(3), 24(4), 24(6), 25, 26, 27, 31(2), 41(1), this clause 45, the second sentence of clause 3(1), and the entries for the Founding Partners in Schedule 1.

(2) An Entrenched Provision may be amended, suspended or removed only by Special Resolution passed with the written consent of the Founding Partners, each giving it in the Partners' Channel or in the Record before the vote closes.

(3) A resolution that would amend, suspend, remove or circumvent an Entrenched Provision without that consent is void, and section 29(5) of the Act does not limit this clause.

(4) Notwithstanding clause 25(6), while the office of Founding Partner has lapsed under that clause no consent of any person named in clause 25(1) is required, but an Entrenched Provision may be amended, suspended or removed only by a resolution in writing of every Equity Partner entitled to vote. When the office revives under clause 25(7), clause 45(2) applies again.

46. Execution and effect

(1) This Agreement is adopted on the date on which it is filed in the Company Register as the formation filing of the Partnership, and takes effect on that filing under section 16(5) of the Act.

(2) The Partnership is formed on that filing under section 18(1) of the Act, subject to the review of the Department of Commerce under section 20 of the Act, and its formation is deemed approved if not rejected within 14 days.

(3) Each Original Partner signs this Agreement by a reply in the formation thread confirming that they are a party to it, or by any other durable and attributable means section 4(3) of the Act allows. The Deed of Adherence of every later Equity Partner forms part of this Agreement.

(4) If any provision of this Agreement is held invalid or unenforceable, the remainder continues in full force and effect.

Signed by the Original Partners

xXTheoryXx Founding Partner and first Managing Partner	Talion77 Founding Partner	CreeperTD Partner

SCHEDULE 1: PARTNER REGISTER AT FORMATION

This Schedule is the partner register required by section 38(2) of the Act at the date of formation. The current register is the one held in the Entity Profile, as updated by filings under section 38(3) of the Act.

Partner	Class under the Act	Class under this Agreement	Units	Share	Offices held
xXTheoryXx	General partner, with section 37(2) protection	Equity Partner	135	45%	Founding Partner (clause 25); Managing Partner (clause 22); designated individual under section 17(3)
Talion77	General partner, with section 37(2) protection	Equity Partner	135	45%	Founding Partner (clause 25)
CreeperTD	General partner, with section 37(2) protection	Equity Partner	30	10%	None at formation; not a Founding Partner
Total			**300**	**100%**	

The Practising or Non-Practising status of each Partner is determined by clause 8(3) on the facts at the date of formation and is recorded in the Entity Profile, not in this Schedule. A Partner holding Judicial Office at formation is a Non-Practising Partner under clause 31(1) from formation.

There is no Salaried Partner, Deputy Managing Partner or Head of Practice at formation. The Managing Partner shall appoint a Head of Practice under clause 28(3) before the Partnership accepts any new matter, as clause 32(1) requires.

SCHEDULE 2: FINANCIAL PARAMETERS

The figures in this Schedule are the financial parameters at formation. They are changed by Financial Resolution of the Founding Partners and the Managing Partner under clause 36(5), which is filed in the Record and replaces the entry concerned without amending this Agreement. The current figures are those stated in the Entity Profile.

Parameter	Clause	Value
Working Credit percentage: share of Fees Collected on a matter paid to the Practising Partner or Partners who conducted it	37(1)	50%
Supervision percentage: maximum credit to a Practising Partner supervising a matter conducted by a Salaried Partner or Associate	37(3)	10%
Reserve percentage: maximum share of monthly net profit the Managing Partner may retain without a resolution	39(2)	25%
Managing Partner authority limit: maximum expenditure, contract value or borrowing per transaction without a resolution	23(1)(d)	$100,000
Ordinary Resolution band: transactions above the Managing Partner authority limit and up to the Special Resolution threshold require an Ordinary Resolution	18(4), 36(4)	$100,001 to $500,000
Special Resolution threshold: transactions, borrowing, guarantees or security above this amount are Reserved Matters	20(1)(i), 24(2)(e)	$500,000
Staff pay: maximum monthly pay the Managing Partner may set for any one Salaried Partner, Associate or staff member without a resolution	23(1)(b)	$50,000

SCHEDULE 3: DEED OF ADHERENCE

This Deed is made by the person named below (the **New Partner**) in favour of Theory, Talion and Partners (the **Partnership**) and each of its Equity Partners, on the admission of the New Partner as an Equity Partner under clause 9 of the Partnership Agreement.

(1) The New Partner confirms that they have read the Partnership Agreement of the Partnership as filed in the Company Register, including every amendment filed to the date of this Deed.

(2) The New Partner agrees to be bound by the Partnership Agreement as an Equity Partner from the date on which their admission is filed under section 38(3) of the Redmont Corporate Entities Act, as if they had been an original party to it.

(3) The New Partner acknowledges the powers of the Founding Partners under clauses 25 to 27 of the Partnership Agreement, the Managing Partner Veto under clause 24, and the Entrenched Provisions under clause 45, and agrees that their Units are held subject to them.

(4) The New Partner confirms that they are not disqualified under section 83 of the Redmont Corporate Entities Act, states their BAR rank and standing below, and states whether they hold any Judicial Office or other Public Office.

(5) The New Partner is admitted with the number of Units, the status and the capital contribution stated in the Special Resolution admitting them, which is identified below.

Particular	Entry
Name of New Partner	
BAR rank and standing	
Judicial Office or other Public Office held	
Special Resolution admitting the New Partner (date and link to the filing)	
Units allotted or transferred	
Initial status (Practising or Non-Practising)	
Capital contribution, if any	
Signature of New Partner and date	
Countersigned for the Partnership by the Managing Partner	

SCHEDULE 4: FORMATION PARTICULARS AND FILING STATEMENT

The particulars required by section 18(2) of the Act are as follows.

Section 18(2) particular	Entry
(a) Registered Name	Theory, Talion and Partners
(b) Form under section 5(3)	Limited liability partnership, section 5(3)(d). This Agreement states under section 37(1) that the Partnership is a limited liability partnership.
(c) Incorporators	xXTheoryXx, Talion77, CreeperTD
(d) Associated in game company	TTP
(e) Purpose	The practice of law and the provision of legal, advisory, advocacy, drafting and related professional services in the Commonwealth of Redmont, and any lawful activity in furtherance of or ancillary to that purpose.
Individual designated under section 17(3)	xXTheoryXx, as Managing Partner
First directors, managers or partners under section 18(3)(h)	The Original Partners in Schedule 1; Founding Partners xXTheoryXx and Talion77; first Managing Partner xXTheoryXx

The statement required by section 15(9) of the Act to accompany this document when it is posted as an attachment is as follows.

Section 15(9) statement	Entry
Nature of the document	Partnership Agreement, being the formation instrument of Theory, Talion and Partners under sections 18(1), 37(1) and 38(1) of the Redmont Corporate Entities Act.
Date adopted	The date of this filing, under clause 46(1).
Provisions created, altered or removed	Creates the entire formation instrument of the Partnership. No provision is altered or removed. The business, goodwill and name of the practice previously carried on as Theory, Talion and Partners are contributed to the Partnership under clause 11(1).