

# **AUTHENTIC BUSINESS NETWORK**

## **LIMITED LIABILITY PARTNERSHIP**

### **PARTNERSHIP AGREEMENT AND CONSTITUTION**

#### ***Introduction – Partners inspiring change***

We are welcoming in a new business paradigm. All over the UK, hundreds of businesses are being set up with a profound positive social or environmental purpose. Cafédirect – Yeo Valley Organics – Howies – innocent – solarcentury – Neal’s Yard Remedies – Triodos – Good Energy – Doves Farm – New Consumer – Future Forests – Future Lab – are some of the most exciting, pioneering, fastest growing businesses in the UK. They are authentic. They are the trailblazers of a new global business culture that benefits people and the planet.

The Authentic Business Network connects these authentic businesses together so that they can learn, support and inspire each other.

Their unified purpose and positive action will be a powerful catalyst for encouraging authentic business into mainstream culture by collectively engaging government, media, business schools, and consumers.

A powerful fusion of the leading creative business minds in the UK, the Authentic Business Network will provide products and services such as corporate consultancy, corporate trips, learning events, educational programmes, and generate profit from the pursuit of its own profound positive purpose.

Individually we can make a difference; through collaboration we can enable change within the global business culture.

# CONSTITUTION AND PARTNERSHIP AGREEMENT

*Authentic businesses united, in a collaborative partnership of inspiration, learning, communication and trade, for success and change*

## **Section 1 Purpose**

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### **1. Purpose**

The Authentic Business Network is a partnership and collaboration between authentic businesses. It exists to change the way that business is done to be better for business, better for people and better for life on earth.

Its unified purpose and positive collective action will be a powerful catalyst to encourage this new business paradigm into the mainstream global business culture.

As the Authentic Business Network we achieve this by:

#### **- Providing Inspiration, learning and support**

The Authentic Business Network brings together the leading inspirational business leaders, creative minds and ideas of our generation. We will share these inspiring business stories on the web site, in books, in Network meetings, and at inspirational events.

All of the Partners of the Authentic Business Network are pioneers of new and better ways to do business, and many are experts in particular fields. Partners will have the opportunity to share learning, ideas and solutions to common issues, and to develop their overall business.

#### **- Lobbying and championing authentic businesses**

The Authentic Business Network will lobby and engage government, media, business schools, and business. It will also engage with consumers to raise awareness of this new way of doing business that is better for business, people and the planet.

### - **Trading opportunities and joint promotions**

Many highly effective trading and joint promotion opportunities exist between businesses with similar purposes. The Authentic Business Network will be an efficient way of identifying and creating supportive trading arrangements between members alongside the joint marketing and PR campaigns.

### - **Products and services**

The Authentic Business Network will create products and service offerings, generating profit (and paying dividends to its Partners) from the pursuit of its profound, positive purpose. For example, consultancy to corporations, corporate trips, educational programmes etc.

## 2. **Values**

Authentic Business Network Partners are committed to pursuing the six attributes of authentic business:

1. **Purpose beyond profit** – Authentic businesses have a clear purpose and their profits are derived from the pursuit of this purpose.
2. **Profound purpose** – The leading players in the business are unconditionally committed to the purpose of the business.
3. **Socially and/or environmentally positive purpose** – Seeking a positive solution to current issues which others outside the company (customers, suppliers etc.) can support.
4. **Integrity between communications, actions, beliefs and values** – There is no disconnect between what the company believes and says and what it does.
5. **Respect for others** – The company cares about its impact on others and the environment, especially by creating an inspiring place to work that enables staff to flourish.
6. **Being distinct and unique** – Authentic businesses are unique because they reflect the authentic purpose of their founders, they are not jumping on a bandwagon.

As a community we are honest, open and transparent in all our dealings. When mistakes are made, we acknowledge them, review the learning opportunity and consider the opportunities arising from them.

We believe in the benefits of collaboration for the greater good (as opposed to competition for personal short-term gain).

### 3. Structure and Governance

#### 3.1 Legal Form

The Authentic Business Network is a Limited Liability Partnership (LLP). By joining the Network, authentic businesses automatically become a Partner in the LLP. Every Partner has the legal duty to act in the best interests of the organisation.

#### 3.2 Relationships

Authentic Business Network is a partner of the Authentic Partnership, a grouping of Authentic organisations, including Authentic Life magazine, Authentic Guides and, when launched, Authentic Capital and Authentic Jobs.

The Authentic Business Network is affiliated with the Social Venture Network (SVN) and will organise joint events, introductions and promotions with SVN members.

#### 3.3 The Partners

The Governing Council of Partners will be responsible for safeguarding the values of the Authentic Business Network, approving the annual budget and accounts, approving Partnership fees and electing and supervising the Executive Committee. The Governing Council is made up of the Executive Committee and the Partners who attend the meetings.

The Governing Council will meet at least once a year, more often when required to discuss major issues. Partners will have the right to attend and vote at all meetings of the Governing Council.

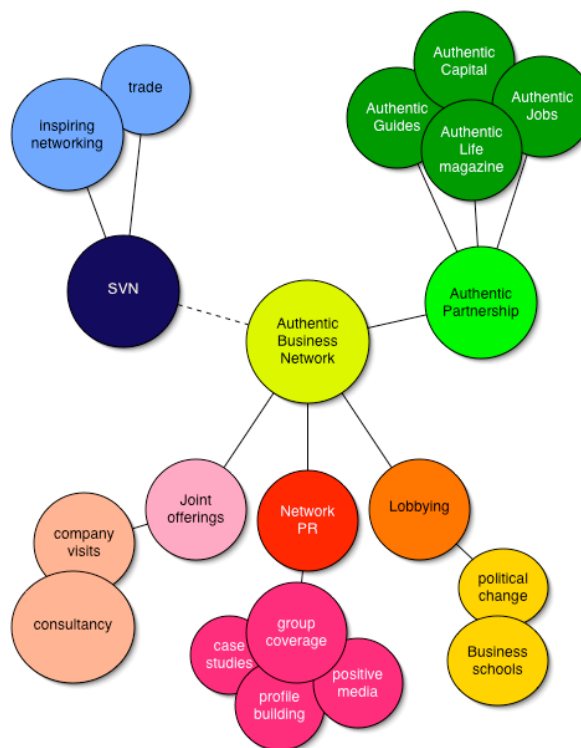
Governing Council meetings can be called by the Executive Committee or by five Partners writing to the Coordinator requesting that one be held.

Provision will also be made for Partners to vote by post or electronically, or

## Authentic Business Network

Levels and Services

*Individually we can make a difference, only through collaboration can we change the world*



to give a proxy to a Partner who attends a meeting.

### **3.4 The Executive Committee**

The Executive Committee decides the strategic direction of the Authentic Business Network, oversees its operations, approves campaigns, approves expenditure and appoints and supervises its administration. It is accountable to the Partners, to whom it reports quarterly in writing.

The Executive Committee comprises between three and seven individuals, elected by the Governing Council for two year terms. The elected members of the Executive Committee may also appoint up to two further individuals to sit on the Executive Committee, whose appointment shall be valid until the following Governing Council, when their appointment shall be put to the Partners for approval.

Until the first meeting of the Governing Council, the first members of the Executive Committee shall be Neil Crofts, Kat Byles, and Patrick Andrews. They may appoint up to four other members to this initial Executive Committee.

In addition a Coordinator, nominated by the Authentic Partnership, shall sit on the Executive Committee and facilitate meetings of the Executive Committee.

The Executive Committee takes decisions consensually. Any decision that is not agreed at one meeting shall be put back to the next for further discussion. The Executive Committee meets at least once a quarter.

Members of the Executive Committee will be paid £500 each per year. This sum will be credited against partnership fees, or paid directly in the case of co-opted Executive Committee members. The Executive Committee may propose changes to this remuneration from time to time, subject to approval by the Governing Council.

### **3.5 The Administration**

Individuals and organisations will be appointed by the Executive Committee to provide services required by the Authentic Business Network. This may include book-keepers, accountants, web site developers and other professionals. The Executive Committee may agree appropriate remuneration for such services.

Founding partners Kat Byles, Authentic PR and Neil Crofts, Authentic Business will be contracted to build and promote the Authentic Business Network in the initial phase and this arrangement will be subject to review by the executive committee.

### **3.6 Fees**

Partners pay an annual subscription of £2,000. This sum will be reviewed by the Governing Council every year.

## **4. Partnership matters**

### **4.1 Founder Partners**

The Founder Partners are the two Partners who established the Authentic Business Network – Neil Crofts, Authentic Business and Kat Byles, Authentic PR – who continue to work actively for its development and expansion. They will receive a share of revenues as set out in paragraph 6.4.

### **4.2 Joining the Network**

Prospective Partners will be asked to complete the application form. Subject to Partner availability, at least three Partners plus the Executive Committee will review all applications. The Executive Committee will take the views of the reviewing Partners into account and will decide on whether to accept or decline the application based on criteria agreed by the Governing Council from time to time. Prospective Partners who are declined partnership may appeal to the Governing Council.

Partners agree to review at least two partnership applications per year and, where practical, to provide feedback within one week of receipt.

### **4.3 Introduction fee**

Partners receive a fee credited to their annual subscription fee for each signed-up business they introduce to the Authentic Business Network. The fee shall be £100 per new partner.

### **4.4 Departure from the Network**

A Partner can leave the Authentic Business Network at any time by informing the Executive Committee in writing. Departing Partners are not entitled to any refund of any portion of their partnership fees.

The Executive Committee may ask a Partner to leave if that Partner changes their business direction such that they no longer remain committed to the values of the Authentic Business Network. There shall be a right of appeal to the Governing Council.

Departing Partners are responsible for notifying Companies House of their departure using form LLP288b. They shall send a copy to the Executive Committee.

#### **4.5 Contributions in kind**

Some Partners may, by agreement with the Executive Committee, make contributions to the Authentic Business Network in cash or in kind, to help cover set-up or other costs. Repayment terms of such contributions shall be agreed by the Executive Committee.

### **5. The Authentic Partnership**

The Authentic Business Network is a partner of the Authentic Partnership, which exists to inspire, support and create authentic communities within business, media, education, government etc.

Between 2-4% of the Authentic Business Network's revenue goes to the Authentic Partnership for the energy, nurture, branding, communications and other benefits of being part of the Authentic Partnership. In return, the Authentic Business Network will have a representative on the governing council of the Authentic Partnership. This shall be set out in an agreement to be signed between the Authentic Business Network and the Authentic Partnership.

### **6. General matters**

#### **6.1 Limited Liability**

Partners are responsible for managing their own business affairs and any liabilities that may arise from them.

In the event of liquidation of the Authentic Business Network the liability of a Partner shall be limited to any partnership fee owing to the Authentic Business Network at the time of liquidation.

#### **6.2 Payments to Partners**

Partners shall not be entitled to be paid for any administration or management they do for the Authentic Business Network, except for Partners elected to the Executive Committee or as otherwise approved by the Executive Committee.

#### **6.3 Working with other Partners**

As part of the support we offer each other we recommend that Partners work with and recommend other Partners. The Authentic Business Network web site will carry a directory of all Partners to enable and support this.

#### **6.4 Revenues & Profits**

Part of the Authentic Business Network's initial revenues will be used to compensate the Founder Partners for set-up costs plus their time and

energy committed prior to the launch. The fee will be 20% of gross revenues over the first three years (2005/2006/2007) and 10% of gross revenues over the succeeding two years (2008/2009) up to a maximum of £100,000 over these five years. The detailed terms will be set out in a contract to be approved by the Executive Committee. This is in addition to any arrangements for on going contributions to the network.

The Founder Partners will continue to be paid fees for activity conducted on behalf of the Authentic Business Network, which will be set out in a contract to be approved by the Executive Committee (the founder members themselves will have no vote on the subject).

After paying for management, administration expenses and the Executive Committee fees, all remaining revenue will, unless otherwise determined by the Governing Council, be spent on development and publicity for the Authentic Business Network and its Partners. When revenues are sufficient the Executive Committee may agree to pay a dividend to Partners. All expenditure, including the set-up budget, will be supervised by the Executive Committee.

### **6.5 Designated Partners**

Designated Partners are responsible for filing forms and submitting accounts to Companies House. The Partners represented on the Executive Committee shall be the Designated Partners for the Authentic Business Network.

### **6.6 Authority to bind the Authentic Business Network**

The signature of any two Executive Committee members on a document shall bind the Authentic Business Network. All cheques require the signature of any two Executive Committee members.

### **6.7 Registered office**

The registered office of the Authentic Business Network is at 5 Perrymead Court, Perrymead, Bath BA2 5AZ.

### **6.8 Settling disputes**

Any disputes between a Partner and the Authentic Business Network, or between Partners involving or relating to the Authentic Business Network, shall be resolved by mediation. The mediator shall be agreed between the parties or, failing agreement, nominated by the Centre for Effective Dispute Resolution (CEDR – [www.cedr.co.uk](http://www.cedr.co.uk)) and the dispute handled in accordance with CEDR's rules.

### **6.9 Changes to the Constitution**

Any changes to the constitution need approval by the Governing Council with a majority of at least 75% of all votes cast. Changes may be proposed



by the Executive Committee or by a proposal sent to the Coordinator four weeks before a meeting and signed by at least five Partners.

#### **6.10 Indemnity**

Each Executive Committee member shall be indemnified out of the assets of the Authentic Business Network against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Authentic Business Network.

#### **6.11 Change of address or other business details**

If a Partner changes their address details they are responsible for changing their details on the Authentic Business Network web site and for notifying Companies House of their changed details using form LLP288c. They shall send a copy to the Executive Committee.