

Philanthrope LLP

CO-OPERATIVE CONSTITUTION

OVERVIEW

Philanthrope LLP is a co-operative consultancy that helps purpose-driven organisations develop effective leadership and governance. We work with responsible investors, social enterprises, and mission-driven businesses to build structures that support long-term value creation.

As a co-operative, we are built on democratic decision-making and collective ownership. Governance is structured to ensure transparency, accountability, and fair participation. Leadership effectiveness is measured over time, not just at the point of appointment.

This constitution sets out the legal and governance framework of Philanthrope LLP, including membership rights, decision-making processes, financial management, and ethical commitments. It ensures the organisation remains accountable, sustainable, and aligned with co-operative principles.

1 | NAME, LEGAL STATUS AND PURPOSE

1.1 Name

The organisation shall be known as Philanthrope LLP.

1.2 Legal Status

Philanthrope LLP is a Limited Liability Partnership (LLP) incorporated under the Limited Liability Partnerships Act 2000 and operates as a co-operative enterprise. It is subject to Companies House reporting and regulatory compliance.

- The LLP shall maintain at least two Designated Members responsible for legal, financial, and compliance matters.
- The liability of the partners is limited to their agreed capital contributions. In no circumstance shall individual members be personally liable for debts beyond their stated capital commitment.
- If the partnership falls below two designated members, the remaining member must admit a new partner within six months or assume personal liability for any debts incurred during this period.
- The LLP shall maintain a registered email address for official communication with Companies House and governing bodies.

1.3 Purpose and Objectives

Philanthrope LLP is dedicated to ethical, sustainable leadership grounded in co-operative principles. Our objectives are:

- To identify and develop leadership talent that aligns with the values and strategic objectives of mission-driven organisations, ensuring that leaders are equipped to drive long-term value creation and positive impact.
- To operate as a co-operative, ensuring equitable distribution of profits, governance participation, and shared success across all stakeholders, reinforcing the principle of economic participation.
- To build diverse and inclusive leadership pipelines by removing structural barriers to leadership progression, promoting equitable access to leadership roles across industries and sectors.
- To reinvest profits into leadership development, community initiatives, and social impact projects that strengthen co-operative and mission-driven business ecosystems.
- To uphold transparency, accountability, and best governance practices, maintaining trust in leadership selection and ensuring sustainable business practices that benefit all stakeholders.
- To promote ethical decision-making in business leadership by aligning governance structures with sustainability, social responsibility, and long-term impact.

1.4 Co-operative Values and Public Benefit Commitment

Philanthrope LLP adheres to the International Co-operative Alliance (ICA) Principles:

- **Democratic member control:** Members actively participate in setting policies and making decisions, ensuring that the governance structure remains equitable and inclusive.
- **Member economic participation:** Profit-sharing and financial management models are structured to reinforce co-operative ownership and mutual benefits among all members.
- **Commitment to education, training, and leadership development:** Continuous professional development and governance training are mandated for all members, ensuring high standards of ethical leadership and co-operative expertise.
- **Consideration for social, environmental, and economic sustainability:** Decision-making prioritises long-term positive impact and sustainable business practices over short-term financial gain.

The LLP prioritises ethical leadership and social impact, ensuring that financial considerations do not override long-term sustainability and co-operative principles. Members are expected to uphold the highest standards of governance integrity and to actively contribute to the co-operative's mission.

2 | MEMBERSHIP

2.1 Membership Classes

Philanthrope LLP consists of two membership classes, each with distinct governance rights and responsibilities:

Consultant Class

- Responsible for delivering high-quality client services and ensuring operational excellence.
- Holds equal voting rights, collectively controlling 50% of all votes at General Meetings.
- Votes within the Consultant Class follow a one-member-one-vote principle, ensuring equitable participation in governance decisions.
- In the event of a tie within the Consultant Class, the Secretary will determine the outcome.
- Profit Allocation: Receives one-quarter of annual profits, distribution determined by contribution.

Partner Class

- Responsible for growth, strategic governance, and leadership, ensuring that mission and financial sustainability objectives are met.
- Holds equal voting rights, collectively controlling 50% of all votes at General Meetings.
- Votes within the Partner Class are outlined in the Partnership Agreement.
- Profit Allocation: Receives one-quarter of annual distributable profits.
- Retains self-governance rights, independently managing its membership, structure, appointments, and internal decision-making processes.

2.2 External Stakeholders

- Support collaborative partnerships and mission-driven initiatives that align with the LLP's long-term objectives and co-operative values.
- Eligible to receive one-quarter of the annual distributable profits, based on contributions and strategic engagement with the co-operative's mission.
- Allocation may consider mission-aligned weighting factors beyond financial contributions, ensuring that impact-driven stakeholders receive equitable recognition for their contributions.
- External stakeholder engagement follows a structured participation framework through the Client Advisory Panel, with defined input expectations, ensuring meaningful contributions to governance.

Client Advisory Panel

- Coordinated by the Secretary, provides structured input from external stakeholders to enhance governance and service quality, strengthening the co-operative's engagement with broader stakeholders.
- Engages through biannual surveys, quarterly meetings, and advisory forums that inform governance and strategic planning.
- A representative may attend General Meetings as a non-voting observer, contributing insights that align with co-operative impact objectives.

2.3 Corporate Partner

The LLP may admit a corporate member for the purpose of holding and managing retained profits and undertaking mission-aligned investments. The Corporate Partner shall:

- Be a permanent Member of the LLP;
- Have no voting rights at General Meetings;
- Not be removable from the LLP under any circumstances;
- Not be subject to dilution or amendment of its economic rights;
- Retain a fixed 25% share of annual LLP profits..

These terms shall take precedence over all other membership rules unless explicitly overridden with the Corporate Partner's written consent.

2.4 Membership Admission & Termination

Membership shall be open to all individuals who meet the defined eligibility criteria, ensuring a fair, unbiased, and inclusive selection process, in alignment with co-operative principles.

- **Consultant Class:** Following a period of probation, open to any Individual who delivers client services and operational excellence, contributing directly to the co-operatives mission and objectives.
- **Partner Class:** Admission to the Partner Class is based on sustained contributions, strategic leadership, and demonstrable impact, ensuring fair and transparent progression.
 - All individuals will have access to the opportunities and conditions necessary to demonstrate their merit on an equal footing.
 - Proposed by invitation from an existing member of the Partner class and voted on by the whole Partner Class, in accordance with the internal class rules.
 - Admission to the LLP and Partner Class is simultaneous following a majority vote.
- All new members, of either class, must complete a probationary period before gaining full membership, ensuring alignment with co-operative values and governance expectations.

Dual Membership

- Dual membership in both classes is permitted for eligible members, subject to Management Committee approval. Dual members may exercise the rights of each class but may not hold multiple governance roles.

2.5 Co-operative Termination

- **Voluntary Withdrawal:** Requires a minimum of 30 days' written notice.
- **Temporary:** Membership can be suspended by a Management Committee vote for extenuating circumstances, such as extended leave.
- **Termination:** Membership may be terminated by the Management Committee vote when participation in the co-operative ceases.
- **Non-Compliance:** When co-operative principles or the Constitution is breached the Management Committee can vote on termination, with mediation offered first.
- **Appeals Process:** Members may appeal termination decisions, which will place a decision on hold until a formal review is conducted and presented, alongside the chance to speak to the membership before a vote at the following General Meeting.

2.6 Member Responsibilities & Ethical Obligations

All members of Philanthrope LLP commit to:

- **Active Governance Participation:** Attending at least 75% of General Meetings and contributing to co-operative decision-making.
- **Co-operative Education & Training:** Completing at least one governance and co-operative values training session annually.
- **Ethical Business Conduct:** Upholding transparency, sustainability, and integrity in all LLP dealings.
- **Mentorship & Knowledge-Sharing:** Supporting leadership development within the LLP and contributing to co-operative skill-building.

3 | GOVERNANCE & DECISION MAKING

3.1 General Meetings

General Meetings serve as the primary forum for members to exercise their collective governance rights, engage in strategic decision-making, and ensure the LLP remains aligned with its mission and co-operative principles. These meetings provide a structured opportunity for members to:

- Review and approve key business decisions, policies, and governance matters.
- Assess financial performance and impact reports, ensuring transparency and accountability.
- Discuss and vote on proposals affecting the co-operative's strategic direction.
- Provide a platform for open discussion, knowledge-sharing, and stakeholder engagement.
- Uphold co-operative principles by ensuring democratic participation in major decisions.

General meeting participation will be open to Partner and Consultant Members, with advisory input from the Client Advisory Panel coordinated by the Secretary. Participation may include virtual attendance via secure platforms to ensure accessibility for all members.

- **Frequency:** General Meetings will occur at least quarterly, organised by the Secretary, ensuring regular participation and democratic decision-making. Either the Chair or the Secretary may call a General Meeting more frequently as necessary.
- **Communication:** All members must be notified in writing two weeks before a General Meeting.
- **Quorum:** Requires at least 50% of eligible voting members from each class to be present for a vote to proceed.
- **Elections:** The elections to the Management Committee will be held at the General Meeting as per 3.2.
- **Motions:** Any Member present may propose a motion and, if seconded by another Member, it will proceed to a vote.
- **Voting:** Members may vote either in person or electronically. Electronic voting mechanisms will ensure fairness, security, and inclusivity, and results will be recorded in the same manner as in-person votes.
 - **Consultant Class:** Collectively holds 50% of voting rights, with the Secretary coordinating and reporting votes according to the internal rules of the class.
 - **Partner Class:** Collectively holds 50% of voting rights, with the Chair coordinating and reporting votes according to the internal rules of the class.
 - In the event of a tie of the whole co-operative, the motion will not carry. A motion requires a majority to pass, ensuring all changes are backed by co-operative consensus.
 - All votes will be binding on the management committee.

3.2 Management Committee

The Management Committee shall oversee strategic planning, make Executive appointments, ensure legal compliance, integrate Client Advisory Panel feedback and uphold the Constitution and co-operative principles.

- **Composition:**
 - A Secretary elected from within and by the Consultant Class, responsible for co-operative governance, operations and internal communication.
 - A Chair elected from within and by the Partner Class, responsible for LLP governance, strategy and external communication.

- To provide broader perspectives and ensure consensus, each class may be further represented by up to two additional Committee Members with balanced representation between classes.
- Committee Members must be elected by a majority of the entire membership. The first elected Committee Member from the Partner class will become the second Designated Member of the LLP by default.
- Non-members may be nominated by the Management Committee and voted on at a General Meeting to provide specialist expertise as Independent Committee Members.
- **Frequency:** The Management Committee will meet at least quarterly, organised by the Chair with the support of the Secretary. The Secretary or the Chair may call a General Meeting more frequently as necessary.
- **Quorum:** Requires both the Secretary and the Chair to be present for a vote to proceed.
- **Voting:** Any member of the committee can propose a binding vote which, if seconded, will be carried by a simple majority. In the event of a tied vote, the Chair will act as the tiebreaker.
 - Each member of the Management Committee has one equal vote, regardless of Partner or Consultant Class status.

3.3 Designated Members

Designated Members shall have the responsibilities prescribed under the Limited Liability Partnerships Act 2000, including but not limited to:

- Filing annual confirmation statements and accounts with Companies House.
- Maintaining the LLP's statutory records.
- Ensuring compliance with all statutory reporting requirements.
- Acting on behalf of the LLP in any legal or regulatory matters.

The Chair of the Management Committee shall serve as a Designated Member by default. The second Designated Member shall be elected from the Partner Class by a simple majority vote.

- Any change in the membership of the LLP, including the appointment or removal of Designated Members, shall be notified to Companies House within 14 days in accordance with the Limited Liability Partnerships Act 2000 (Section 9). The Chair is responsible for ensuring timely compliance with this requirement.
- A Designated Member may be removed by a two-thirds majority vote of the Management Committee if they fail to meet statutory obligations or breach governance responsibilities.
- If a Designated Member resigns or is removed, the Partner Class shall elect a replacement within 30 days.

3.4 Operational Decision-Making

The Management Committee has final decision-making authority on strategic and operational matters, except where reserved for General Meetings as defined in this Constitution.

- Only members of the Management Committee shall have the authority to act as an agent of the LLP. This authority may be delegated to an Executive via a formal appointment by the Management Committee. No individual member, unless formally appointed, shall have the authority to bind the LLP in legal or financial matters. This overrides the default assumption under Section 6 of the LLP Act 2000.

- The Management Committee may appoint and delegate authority to Executives, with quarterly review by the Management Committee, as well as a requirement for the Executive to report to General Meetings.
 - The authority of Executives shall be determined on a case-by-case basis at the time of appointment by the Management Committee.
 - Specific executive decision-making powers, including financial thresholds and operational responsibilities, shall be documented at the time of appointment and reviewed periodically.
- The Management Committee, and any Executives, shall ensure that all strategic and operational decisions are made with due consideration to the LLP's long-term social, environmental, and financial sustainability. Ethical business practices, fair treatment of all stakeholders, and sustainable development shall be prioritised in decision-making.

3.5 Governance Training

All governance members shall complete annual training on LLP and co-operative governance, stakeholder impact, and ethical leadership.

- Training topics shall include financial sustainability, inclusive decision-making, and legal compliance.
- The LLP shall facilitate workshops and external learning opportunities to strengthen co-operative governance capabilities.

3.6 Financial Oversight & Transparency

- The LLP publishes an Annual Impact Report, detailing financial performance, governance improvements, and co-operative impact metrics.
- Members receive quarterly financial updates that include expenditure breakdowns, revenue trends, and investment decisions.
- An ethical finance policy governs all financial decisions, ensuring investments align with co-operative principles, environmental responsibility, and long-term sustainability.
- Annual audits are conducted by independent financial experts to ensure compliance, transparency, and accountability.

3.7 Employee Welfare & Workplace Standards

Philanthrope LLP shall ensure fair pay and benefits, including adherence to the Living Wage as a minimum standard. The LLP shall maintain policies that support employee well-being, career development, diversity of thought, equality of opportunity and meritocracy. The LLP shall establish and maintain:

- A Living Wage policy for all employees and contractors.
- Employee well-being initiatives, including flexible working, parental leave, and mental health support.
- A structured grievance and dispute resolution process to ensure employee concerns are addressed fairly.

3.8 Ethical Sourcing & Supplier Standards

- The LLP partners with ethical suppliers who uphold fair labour practices, sustainable sourcing, and corporate responsibility.
- Supplier selection criteria align with co-operative values and social impact goals.

- Annual supplier evaluations assess adherence to ethical standards, with reports made available to members.
- A grievance process allows suppliers, employees, and stakeholders to report ethical concerns, ensuring accountability and responsible business practices.
- The LLP prioritises long-term partnerships with mission-aligned vendors, encouraging a co-operative ecosystem of ethical businesses.

4 | PROFIT SHARING

4.1 Class-Specific Allocations

- **Consultant Class:** One-quarter (25%) of profits is reserved for the Consultant Class. Allocation is based on service delivery outcomes, individual performance metrics, and innovation contributions. The allocation method will be proposed by the Secretary and voted on by the Management Committee annually.
- **Partner Class:** One-quarter (25%) of distributable profits is reserved for the Partner Class. Allocation is based on contributions to governance, leadership, and organisational success. Leadership is expected to enable high performance within their teams, ensuring all individuals can thrive based on their contributions and capability. The allocation method will be proposed by the Chair and voted on by the Partnership Class annually, ensuring alignment with organisational performance, individual contribution, and co-operative values.

4.2 Stakeholder Profit Pool

One-quarter (25%) of distributable profits is reserved for external stakeholders.

- Each stakeholder's profit share will be determined based on their proportion of financial contribution to Philanthrope LLP over the previous 12 months.
- Financial contribution is defined as revenue generated from services provided by Philanthrope LLP, excluding voluntary engagement or advisory participation.
- Annual profit-sharing reports will provide transparency on allocations and the methodology used.

4.3 Reserves

A proportion of retained earnings will be held in reserve to reinvest into initiatives that support the co-operatives sustainability and impact. Allocations will be reviewed by the Management Committee and documented in annual financial reports. The Co-operative will prioritise mission-aligned investments that strengthen stakeholder engagement, co-operative leadership, and sustainable business practices.

Guiding Principle for Financial Decision-Making:

- When allocating financial resources, the LLP shall ensure that long-term financial sustainability is balanced with its commitment to social and environmental impact.
- Financial sustainability is prioritised to ensure long-term viability, but all financial decisions shall consider the LLP's mission to create positive social and environmental impact.

5 | AMENDMENTS

- Proposed amendments to this Constitution must be submitted 14 days before a General Meeting.
- The Management Committee determines whether an amendment proceeds to a vote.
- Amendments require a 75% supermajority to be ratified.
- The amendment process shall include consultation with the Client Advisory Panel and external co-operative governance experts where necessary.
- Any amendment impacting co-operative values, financial structures, or governance participation must undergo a structured member review process before being put to a vote.

6 | DISPUTE RESOLUTION

- **Mediation:** Initiated within 30 days of a dispute and resolved within 60 days unless extended by agreement, ensuring all disputes are handled fairly and free from bias in line with co-operative values.
- **Arbitration:** Follows the Chartered Institute of Arbitrators' rules, initiated within 60 days of unresolved mediation.

7 | DISSOLUTION

In the event of dissolution, Philanthrope LLP shall comply with all insolvency and winding-up procedures prescribed under the Limited Liability Partnerships Act 2000 and related regulations.

- The Designated Members shall ensure that all statutory requirements, including notifying Companies House and appointing a liquidator if required, are fully observed.
- In the event of dissolution, the LLP shall use its assets to satisfy debts and liabilities. Any remaining funds shall first be used to repay loans from members.
- Any remaining surplus shall be distributed to co-operative-aligned organisations or reinvested into mission-driven initiatives, as determined by the Management Committee.

8 | GOVERNING LAW

This constitution complies with the laws of England and Wales and the Limited Liability Partnerships Act 2000, embedding co-operative values into its governance framework.