



CONSTITUTION

Version 1.0 - February 2013

EXPLANATORY MEMORANDUM

This Constitution is a work-in-progress. The first draft was created in December 2012, and subsequent improved versions are published in a process that (hopefully) never stops.

0. PREAMBLE

We, the people forming the business network named Happy Melly,

Recognize that traditionally organized businesses consistently fail to improve the lives and happiness of workers and other stakeholders;

Aim to respect the needs of workers and desire to contribute to these by continuously improving organizations, first of all our own Business;

Believe that a business is most effective when it is organized as a network of economically interdependent stakeholders.

We therefore adopt this Constitution as the supreme law of our Business, so as to

- Improve upon our earlier experiences with traditionally organized businesses;
- Lay the foundation for a new generation of businesses in which management is based on the will of all stakeholders;
- Improve the quality of work life of employees, customers, and all other stakeholders; and
- Grow Happy Melly into a Business that is recognized and referred to as an example of a well-managed organization.

We have agreed as follows:

I. FOUNDING PROVISIONS

I.1 PURPOSE

Our purpose is the pursuit of happiness in work. Any activity that helps people be happier in their work can be a valid activity for our Business. Anything that does not contribute to the happiness of workers, anywhere in the world, is not our concern. Unless the activity is meant to make ourselves happy. {8-}

I.2 VALUES

We have three *core values*, defined as **freedom**, **transparency**, and **holism**. Besides espousing professional and ethical behaviors, everything that we do in our business must be consistent with these values, otherwise we consider it undesirable. There are also things that we sincerely hope to address and experience, while pursuing our purpose. We call them our *wish values*, and they are defined as **improvement**, **learning**, and **fun**.

I.3 ACTIVITIES

Our core business is licensing of courseware and games; production, distribution and translation of books and materials; development of sites and apps; connecting creators of courseware to facilitators, and facilitators to organizers. In short, we grow a network for people to bring great ideas to unhappy workers. In doing so we work with writers, developers, trainers, event organizers, and many others, whom we consider the stakeholders of the Business.

I.4 SUPREMACY OF CONSTITUTION

This constitution is the supreme document describing the constraints of the Business. Any rules or behaviors inconsistent with it are invalid, and its obligations must be fulfilled.

I.5 LANGUAGES

All official documents of the Business are created in the English language.

I.6 BRANDS

All work in the business network is done using brand names. The current brand is **Management 3.0**. Other brands can be added only by updating this Constitution. No commercial activities and brands will be supported by any entity in the name of the Business, except the ones agreed upon here. This restriction does not apply to stakeholders, who are free to pursue any activity using any kind of brand.

2. MEMBERS

2.1 MEMBERSHIP OF ENTITIES

We are a business, and therefore we work with entities that are recognized as legal by official governments. However, instead of one legal entity with centralized control, we prefer a network of legal entities with distributed control. Any legal entity can join our Business. It does not matter who owns the entity, or where in the universe the entity is located, though some specific restrictions can be imposed by the Business. All entities are

- Equally entitled to the rights, privileges, and benefits of membership; and
- Equally subject to the duties and responsibilities of membership.

For a new member to join it is required that membership is accepted through a majority vote in a Gathering. Likewise, membership of an entity in the network can end, or can be denied, as a consequence of a majority vote in a Gathering. No geographic restrictions are imposed on new Happy Melly entities, and no exclusive rights are granted to existing entities.

2.2 RESPONSIBILITIES OF ENTITIES

All legal entities have similar tasks and responsibilities. They can own assets, hire people, sign contracts with business partners, provide services to customers, manage capital on behalf of shareholders, and pay taxes to local governments. They are in fact very normal companies. The responsibilities are shared among all entities, meaning that no entity is required to perform all tasks, but all entities commit to providing their services to the network collectively. All legal entities can also take up the role as liaisons between local stakeholders (outside of our Business) and the rest of our network.

2.3 TRANSPARENCY OF ENTITIES

All legal entities guarantee that financial transactions with other legal entities, and transactions with stakeholders, are open and transparent.

2.4 MEMBERSHIP OF STAKEHOLDERS

Any person, who is somehow economically directly involved in the activities of the Business, whether as an employee, shareholder, customer, supplier, or business partner, can choose to become a registered stakeholder. Membership is achieved via simple self-registration. However, each stakeholder's membership must be supported by at least one legal entity. When a person loses support of all legal entities, the person loses membership as a stakeholder. Stakeholders have the right to be informed about what happens in the network, to see financial statements and other performance metrics, and to participate in voting.

3. BILL OF RIGHTS

3.1 RIGHTS

This Bill of Rights enshrines the rights of entities and stakeholders and affirms the values of the Business. The Business must respect, protect, promote and fulfill the rights in the Bill of Rights.

3.2 EQUALITY

All legal entities in the Business are equal and have equal rights to protection and benefits. All stakeholders in the Business have equal rights to liberty and security of their work.

3.3 FREEDOM

Nobody can be required to perform forced or compulsory work. Everyone has the right to respect for his work life. Everyone has the right to freedom of thought, freedom of opinion, freedom of expression, and freedom of association.

3.4 INFORMATION

All legal entities and stakeholders in the Business have the right of access to any information held by the Business, and any information held by another entity or stakeholder that is required for the exercise or protection of any rights.

3.5 LIMITATION OF RIGHTS

The enjoyment of these rights is secured without discrimination on any ground. The rights may be limited only to the extent that the limitation is reasonable and justifiable in order to achieve compliance with this Constitution.

4. MANAGEMENT

4.1 MANAGEMENT OF THE BUSINESS

In the Business, management is constituted as global management and local management. Both spheres of management must observe and adhere to the principles described in this chapter. Global management consists of Gatherings, Huddles, and the CEO.

4.2 PRINCIPLES OF MANAGEMENT

The local and global management must

- Be loyal to the Constitution, the Business and the workers;
- Promote and preserve the unity of the Business;
- Secure the well-being of the workers in the Business;
- Provide effective, transparent, accountable and coherent management for the Business;
- Not assume any power or function except those conferred in terms of the Constitution;
- Co-operate with one another in mutual trust and good faith.

4.3 RULES AMENDING THE CONSTITUTION

The Constitution may be changed only by a rule passed by two thirds of the votes in both a Gathering of entities and in a Huddle of stakeholders. All rules amending the Constitution must be validated by the CEO who has the power to veto any rule, except when a rule was passed unanimously both in a Gathering and in a Huddle.

4.4 OTHER RULES

A rule passed in a Gathering of entities will only have effect after validation by the CEO, unless the same Gathering decides that the decision must be considered first in a Huddle of stakeholders. A rule passed in a Huddle will only have effect after validation by the CEO, unless the same Huddle decides that the decision must be considered first in a Gathering of entities. All rules must be validated by the CEO who has the power to veto any rule, except when a rule was passed unanimously either in a Gathering or in a Huddle.

5. GATHERINGS

5.1 PURPOSE OF A GATHERING

A Gathering represents all legal entities in the Business to ensure that their interests are taken into account in the global sphere of management. It does this mainly by providing a global forum for public consideration of issues affecting the legal entities.

5.2 COMPOSITION OF GATHERINGS

A Gathering consists of a single delegate from each of the legal entities involved in the Business. Each legal entity may have its own procedures for election and dismissal of its delegate to the Gatherings.

5.3 DECISIONS OF GATHERINGS

A majority of the legal entities must be represented in a Gathering before a vote may be taken on a rule or amendment to a rule; and all questions before the Gathering are decided by a majority of the votes. In the case of amendments to the Constitution two thirds of the legal entities must be represented and amendments require two thirds of the votes to be passed. In all decisions each legal entity represented in a Gathering will have exactly one vote.

5.4 POWERS OF GATHERINGS

The Gatherings may consider, pass, amend, or reject any rules before the Gathering that will apply to legal entities in the Business. A Gathering of entities may not amend the Constitution, except as a validation of an issue raised and passed in a Huddle of stakeholders. Likewise, issues raised and passed in a Gathering can only lead to an amendment of the Constitution when validated in a Huddle.

5.5 DUTIES OF GATHERINGS

Each Gathering will result in a published journal of its proceedings, and the votes of its members on any issue will be registered and made transparent. The omission of a public journal of proceedings will render any rules passed in the Gathering as illegal.

6. HUDDLES

6.1 PURPOSE OF A HUDDLE

A Huddle represents all stakeholders in the Business to ensure that their interests are taken into account in the global sphere of management. It does this mainly by providing a global forum for public consideration of issues affecting the stakeholders.

6.2 ELECTION OF A HUDDLE

A Huddle consists of three to five people, elected as participants in terms of an electoral system that is based on global votes among participants in the Business, in proportional representation.

6.3 MEMBERSHIP OF A HUDDLE

Every stakeholder who is qualified to vote for a Huddle is eligible to be a member of the Huddles.

6.4 DURATION OF THE HUDDLES

Participants of Huddles are elected for an indefinite term. Dissolution takes place whenever a majority of the stakeholders have self-managed and organized an election and when a majority of the votes have resulted in replacement of one or more Huddle members.

6.5 DECISIONS OF HUDDLES

A majority of the Huddle members must be present before a vote may be taken on a rule or amendment to a rule; and all questions before the Huddle are decided by a majority of the votes. In the case of amendments to the Constitution two thirds of the Huddle members must be represented and amendments require two thirds of the votes to be passed.

6.6 POWERS OF HUDDLES

The Huddles may consider, pass, amend, or reject any rules before the Huddle that will apply to all stakeholders in the Business. A Huddle of stakeholders may not amend the Constitution, except as a validation of an issue raised and passed in a Gathering of entities. Likewise, issues raised and passed in a Huddle can only lead to an amendment of the Constitution when validated in a Gathering.

6.7 DUTIES OF HUDDLES

Each Huddle will result in a published journal of its proceedings, and the votes of its members on any issue will be registered and made transparent. The omission of a public journal of proceedings will render any rules passed in the Huddle as illegal.

7. THE CEO

7.1 PURPOSE OF THE CEO

The CEO is the head of the Business. The CEO must uphold, defend and respect the Constitution and promote the unity of the Business.

7.2 ELECTION OF THE CEO

The CEO may only be elected and removed jointly by a Gathering and a Huddle through a majority vote in both the Gathering and the Huddle.

7.3 TERM OF OFFICE OF THE CEO

The CEO is elected for an indefinite term.

7.4 POWERS OF THE CEO

The CEO is responsible for

- Assenting to and validating rules;
- Referring a rule back to a Gathering for reconsideration;
- Referring a rule back to a Huddle for reconsideration;
- Appointing Board Members;
- Representing the Business and the Board to rest of the world.

The CEO is denied the right to have a vote in either Gatherings or in Huddles.

7.5 THE BOARD

The CEO appoints members of the Board, which may include a CFO, COO, CMO and other Chief Officers of the Business. All Board members are responsible for the powers and functions assigned to them by the CEO.

8. ARBITERS

8.1 PURPOSE OF THE ARBITER

Sometimes it is needed that a conflict is resolved between legal entities or stakeholders. And sometimes it may be reported that an entity or stakeholder has broken a rule. In such cases a decision has to be made. This is the responsibility of the Arbiter.

8.2 ELECTION OF THE ARBITER

The Arbiter is nominated by the CEO, who can suggest to install and replace the person at any time. The nomination of an Arbiter must be validated in both a Gathering and a Huddle. When a conflict must be resolved between the CEO and legal entities, a temporary Arbiter will be appointed by stakeholders in a Huddle. When a conflict must be resolved between the CEO and stakeholders, a temporary Arbiter will be appointed by legal entities in a Gathering.

8.3 TERM OF OFFICE OF THE ARBITER

The Arbiter is appointed for an indefinite term.

8.4 POWERS OF THE ARBITER

The Arbiter is independent and subject only to the Constitution. An order or decision issued by the Arbiter binds all workers in the Business to whom it applies.

9. CENTRAL TASKS

9.1 PURPOSE OF CENTRAL TASKS

Nearly all activities in the business network take place in a self-organized way. However, in (hopefully) rare cases some tasks have to be centralized. The Board decides which tasks are carried out centrally, and by whom. The central tasks may include (among others) financial consolidation, marketing & sponsoring, digital infrastructure, and maintenance of central domain names, websites, email addresses, and social network accounts.

9.2 PRINCIPLES OF CENTRAL TASKS

The Central Tasks must be managed by the values and principles enshrined in the Constitution, including the following principles

- A high standard of professional ethics must be promoted and maintained;
- Services must be provided impartially, fairly, equitably and without bias;
- The needs of entities and stakeholders must be responded to;
- Transparency must be fostered by providing timely, accessible and accurate information.

10. FINANCE

10.1 CONTRIBUTIONS

Running the Business requires regular contributions from the legal entities. The monthly contribution from each legal entity to the business network is a percentage of gross revenue, to be agreed upon in a Gathering.

10.2 REMUNERATION

Remuneration of the CEO is a responsibility of the Gathering. Remuneration of the Board and others is a responsibility of the CEO.

EFFECTUATION

This Constitution was written by Jurgen Appelo with the help of Bogdan Zaharia, Christof Braun, Damian Dessler, Evelyn Berkemeier, Fabian Schiller, Jon Eversett, Jurgen de Smet, Jussi Hölttä, Luc Taesch, Luigui Moterani, Maarten Volders, Pascal Sarrazin, Raoul Boucke, Simone Frenzel, Vasco Duarte, Vladimir Livshits, Walter Risi, and Zee Spencer.

The Constitution was effectuated on 25 February 2013 by the founders of the Business,



Jurgen Appelo,



Maarten Volders,



Vasco Duarte.