

# Art Earth Tech Governance

*August 2018*



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# Executive Summary

Art Earth Tech was initiated in 2015 by Sylvie Barbier and Rufus Pollock and in November a legal entity Art Earth Tech Ltd was established (though with relatively little relationship to Art Earth Tech the community). So far, it has functioned with the loosely defined governance structure natural to an emergent initiative. However, with the ongoing growth of Art Earth Tech as a community and enterprise it behoves us to put in place solid foundations for our future development as well as provide transparency. Our motivating question is what are the governance structures, patterns and practices we should put in place that would support and provide clarity on:

- A sense of ownership, fairness and trust amongst the nucleus, its members, and the broader community.
- People investing their time, energy and goodwill in the vision, mission and values of AET to be recognised.
- Preserve and enhance AET's reputation.
- Staying true to the deepest elements of its vision, mission, values and culture, whilst being able to evolve in line with circumstance.
- Being able to live on beyond its founders and a balance between creating a vibrant and dynamic community with members being able to be more autonomous
- Clear reciprocal relationships with associated projects ( eg: London Hub, LEAP, Datopian, Institute, etc]

## Our Hypothesis

We propose to address these intentions by:

- Creating an explicit membership model – [§ Membership](#)
- Establishing a board – see [§ Board](#)

- Creating separate voting and revenue shares with a formula for assessing contribution and allocating new [revenue] shares based on contribution – see [§ Shares](#)
- Setting out clear community agreements – see [§ Membership Agreements](#)
- Creating template agreements for associated initiatives and spaces and test these out with the London Hub and at least two projects e.g. the LEAP and Datopian – [§ Membership Agreements](#)

# Membership

Our intention is to create membership structure which reflects the vision of AET and people experience being supported, cared for, believed while living the AET vision and mission through our values of joy, open mindedness, rigour, primacy of being, authenticity, [generosity] and getting stuff done.

The other dimension of the model is to reflect and recognised the different level of involvement and contribution to AET by its members.

## How do you become a member of the community and how does it work?

You become a member of AET by being an active member of a “family”. A “family” is a group that meets regularly for mutual support, sharing and exchange rooted in AET values and practices and oriented towards AET’s mission.

A “family” size is usually between 5 to 8 people and meet at least once a month (preferably once every two weeks) in person or by phone/video. Each “family” has a family leader (which can alternate every 3 months) who is responsible for coordinating

the group meeting and be a communication point between the members and the rest of AET.

## FAQ about the family

### **How does a member leave?**

By ceasing to be actively involved in a family eg: not attending meeting for more than 3 months.

### **How can a member be removed?**

A member can be removed by the Board at their discretion (though obviously endeavour to discuss, complete etc).

### **What are the qualification to be an AET member?**

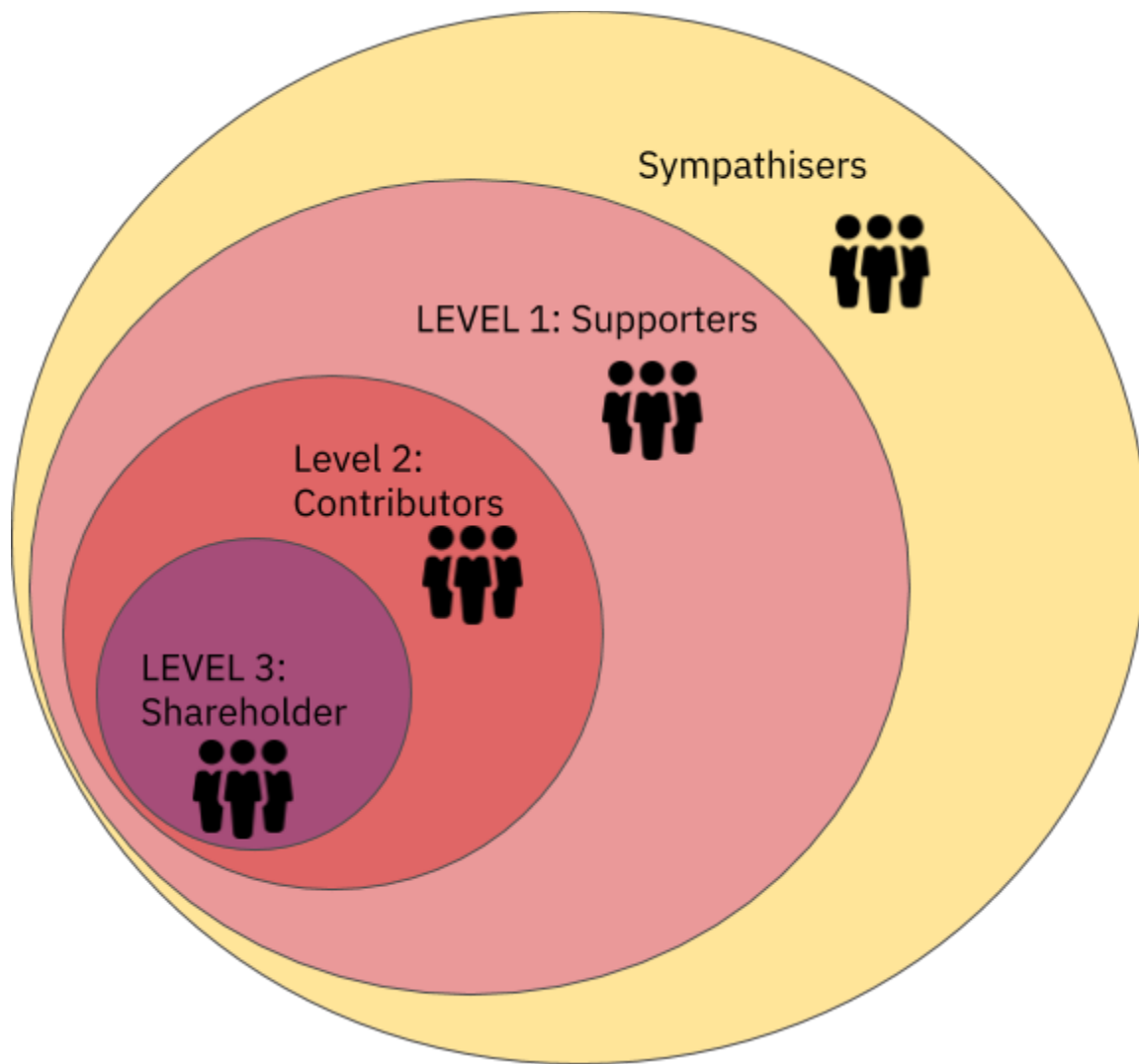
To have attended a Gathering or two sprints.

### **What happens if many members my “family” have left?**

If you “family” is smaller than 4 members then you will be merge with another family.

## Levels of involvement

While you are a member of a AET “family” group, each member might have different level of involvement with AET. Therefore within a family you may find people with various levels. Below is a drawing and explanation of the different criterias for each level:



### **Level 1 Supporters**

You are part of a family and make a financial and/or in-kind contribution (e.g. regular donation of €10 a month or help run a supper)

### **Level 2 Contributor**

L1 + you represent AET, have been a family leader, and have attended at least one Gathering and have actively contributed to one major initiative.

### **Level 3: Shareholder**

L2 + you have and are leading a major event (30 people +) or an initiative and shown long-term competence and commitment to AET's mission and vision. You attend all quarterly team meetings and trainings and are engaged in ongoing self-development work.

## Membership agreement

As a member, you agree to the following as part of being part of the community:

- To live according to the values of AET of joy, rigour, open mindedness, authenticity, generosity, primacy of being and getting stuff done.
- Not to gossip about other members of the community.
- To take collective responsibility for the care and wellbeing of the "family" as a whole and to it's individuals.
- To be aligned and supportive of the vision and mission of AET.
- Not to withhold communications or cause upsets.
- If you have any issue or problem with AET, you will responsibly communicate only to the person who can resolve that issue.
- You agree to have minimum of 1 group phone call a month with your family and when possible to meet in person.

## Communicating & Resolving Conflicts

- "Getting complete", emotional "cleaning" and conflict resolution is a priority in our community.
- We believe that unspoken resentment and unresolved disagreements cause blocked relationships that damage the community.
- We seek to create safe spaces for each other and to learn tools such as meditation, integrity (restoration), flower watering (acknowledgement), non-violent communication and sharing to help us transform conflict into positive growth.

- We are determined to show-up to each other, not hide from things for convenience, when we have a chance to address issues in a sufficiently safe and kind space.

# Shares, Revenue and Voting

## Introduction

AET is a for-profit company and it may grow in the future by incorporating non-profit arms. The core AET entity will probably operate more like a CIC (community interest company) than a traditional for-profit company though the exact legal structure is to be worked out. Specifically:

- Asset lock: the assets held by AET can not be liquidated and distributed except to another entity pursuing the same purpose and mission.
- Distribution to shareholders will be set at a low level, sufficient only to attract necessary capital (for example, repayment of initial investment plus X% a year)

## Principles

AET in it's governance stand on three principles:

1. Recognition of value
2. Recognition of risk
3. Fair but not equal

## Recognition of value

We believe that there are many more values then monetary ones. Our goal is to create a common yardstick to recognize and remunerate value members contribute to AET (eg: wellness, art, time, expertise, money...)



The principal is that the more you put in the more you get out:

value in => value out (in form of either economical or voting shares)

## Recognition of risk

Some people may invest energy and money when there is little cash around or people power / belief around – we want them to get compensated later.

We see this under the form of two options:

- Loans
- Equity (with a denominator on risk)

## Fair but not equal

We want to recognize differential contribution so that people feel fairly treated and we have incentives; at the same time we want to “flatten” those incentives compared to the outside world. We want to incentivize effort and quality.

## Types of Shares

There are two type of shares, voting shares and revenue shares. A member of AET community can qualify for revenue and/or voting share when reaching L3.

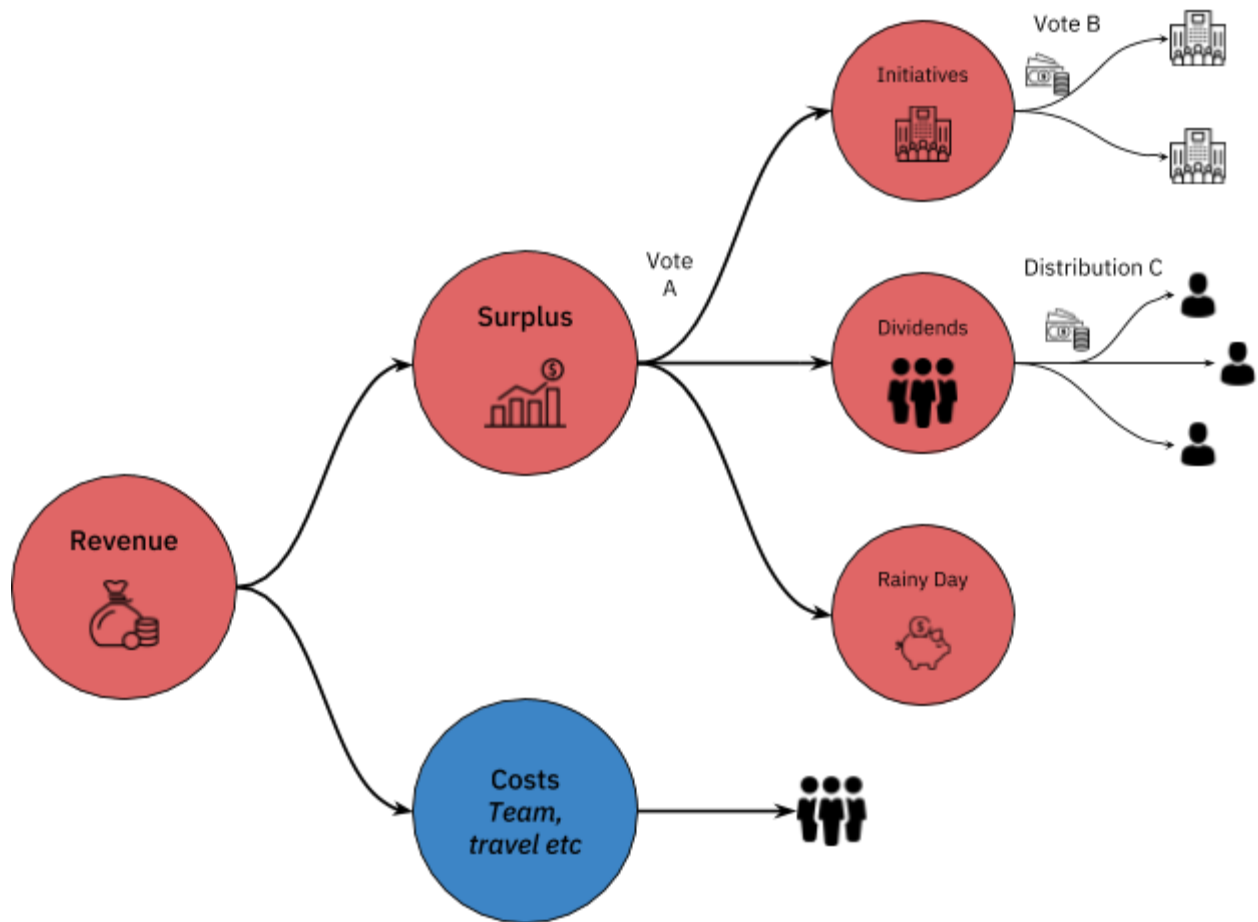


Fig 2: Voting and Revenue Shares and Allocation of Monies

## Voting Shares

Voting shares have voting control by majority over the following:

- Vota A: Allocation of surplus between Initiatives, Dividends and the Rainy Day fund (subject to minimum provision)

- Vote B: Allocation of money between initiatives (this may be subject to management direction as well)

Allocation of Voting Shares is at the discretion of the board initially and will be related both to fiscal contribution.

## Revenue Shares

Ownership of revenue shares entitles the holder to dividends. Dividends are distributed in proportion to the proportion of revenue shares held [perhaps subject to max provisions - ie. no more than 20x the minimum distribution]

## Allocation of Revenue Shares

Revenue shares are distributed to L3 members based on an assessment of their contribution.

1. Contribution points = Some function of(€, value, effort, skills + competence, joy)
  - a. € = revenue generated, value = value generated etc
2. Adjust contribution points towards equality (at some rate)
  - a. Maybe allow for a mincome e.g. 5k a year and above proportional
3. Contribution points determine proportional allocation of that years share issue
4. That year share issue =  $f(\text{value created} / \text{effort expended}) * \text{decay function}$  (to reflect early risk and that stuff tends to grow)
  - a. Easiest would be effort relative to the past i.e. share issue

## Simple Example

- AET run since Oct 2015
- Proposed allocation (R,S,N,L): 40, 30, 15, 15
  - 400 shares initial allocation => 160 / 120 / 60 / 60

- [Example: future allocation]
  - 100 shares next year
  - Contribution (R, S, N, L): 15%, 30%, 15%, 40%
  - Total:  $160 + 15$ ,  $120 + 30$ ,  $60 + 15$ ,  $60 + 40$
  - Total: 175, 150, 75, 100

## Appendix: Criteria for our model - why we chose it

What are the criteria we select on for our model? Answer: Balance between fairness and [unequal] quality-adjusted contribution, risk-taking and responsibility.

### Benefits to individual or family

- Security & certainty
- Insurance - risk pooling
- Maximizing public goods

### Soft values

- Belonging
- Fairness
- Security - psyche

### Incentives

- Quality-adjusted contribution
- Risk-taking
- Responsibility / competence [scarcity]

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Equality

Based on responsibility for output produced

# The Board

The intention and purpose of the board is to make sure the mission and plan of action of AET is align with the vision and values of AET.

There will be two types of board members:

- “Permanent” (or Founding) members: Rufus Pollock, Sylvie Barbier, Liam Kavanagh, Ninon Godefroy.
- Non-permanent members: these serve two-year terms (renewable)

The board is not remunerated. Board decisions are by majority voting with majority required of both permanent and non-permanent board members.

## **What are the criteria to be a board member?**

You must be a Level 3 member and have done the Landmark Forum (so that we a shared language for managing workability, etc). You must have shown past and present commitment to self-development and transformation.

## **How do you get elected to be on the board?**

Consensus invitation by founding board members for a two year term.

## **How does one leave the board?**

To leave the board, we expect 9 months notice. Plus non-permanent serve 2 year terms (can be renewed by agreement of member and board).

## **How does one remove someone from the board?**

Majority vote of permanent and all board members.

### Are founding board members governed by the same rules?

No. Permanent members of the board can only be removed by consensus of other permanent members.

# Management

The intention of the management team is to act on the vision and mission of AET and to be remunerated for their work.

Role	Holder	Description	Objective	Key results
CEO	Rufus	General oversight of the organisation, coordination and audit of the different management roles (and other entities eg. institute), development of the overall strategy and key partnerships initiatives.	To make sure A/E/T as an organisation is healthy and OKRs are met	Monthly Check-in with all heads in management team
COO	Sylvie	Manage accounts, link with project heads and oversee the work of the admin person (Filing accounts, paying people, checking we get money, booking travel, having relevant services..), HR work, other legal agreements e.g.	Accounts are up to date and compliant with regulation	Quarterly financial report to the CEO and the board members; people are paid on time.

		MoUs etc		
Head of Comms CMO & CCO	Ninon	Responsible for branding, website and social media content, liaising with different entities to request for content.	To have an attractive image aligned with the mission and value, to update members and friends on developments happening within the community	Website updated regularly (up to date with recent development within the community); at least 1 social media post every week
Head of Spaces	Rufus	Responsible for the overall management of the hubs and development of new spaces	To have spaces aligned with values (eg, aesthetics, human interactions we aspire to...) for community members to spend time together	The London hub generates surplus, residents occupying the space, a management structure exists within the space, events are happening in the space
CRO (chief research officer)	Liam	Responsible for developing the overall research goals and overseeing research work at the institute at for the organisation as a whole.	To make sure that AET as an organisation can rely on quality research to promote its vision and mission.	??

# Initiatives

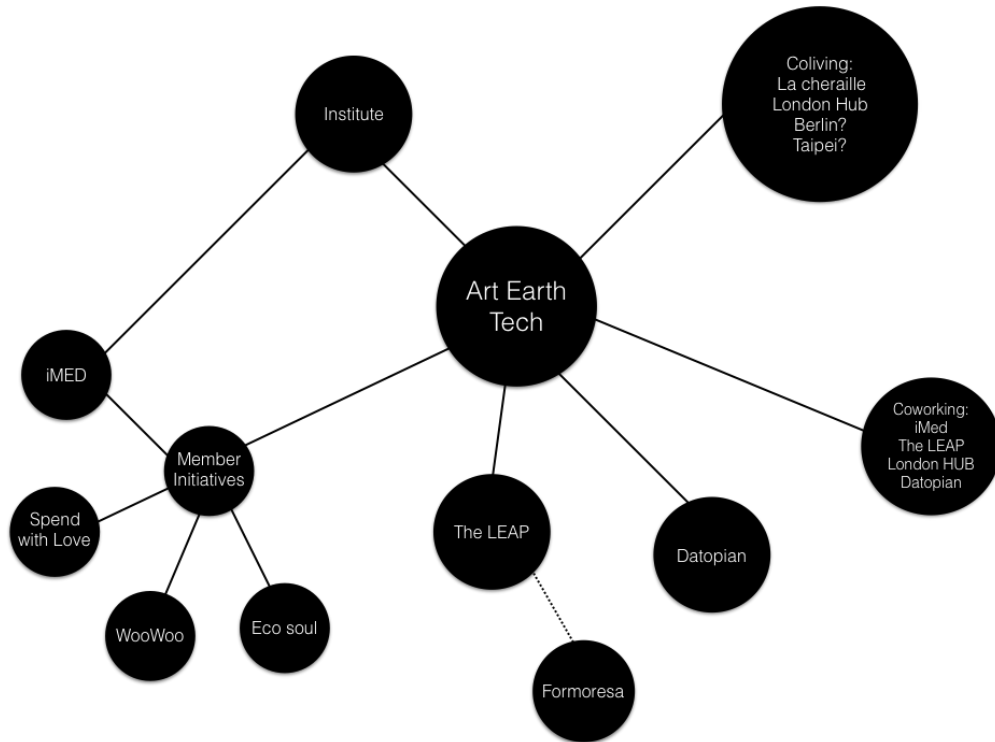


Fig X: the Art Earth Tech network of initiatives

Just as people are part of the Art Earth Network and can become members, so there will be initiatives that have a relationship with Art Earth Tech. There are two key aspects of a relationship of AET with other initiatives:

- Reputation & Brand: e.g. how and when can associated initiatives use Art Earth Tech's brand?
- Economic: What, if any, economic relationship is there between the entities? For example, does Art Earth Tech have a financial stake in these other entities?



To address these questions, we intend to create an explicit agreement for entities to associate with Art Earth Tech just as we have for members.

We believe these relationships can be very important, especially economically, and will be a crucial mechanism for creating a dynamic and thriving Art Earth Tech ecosystem.

At present, we do not have a definite answer. Our ongoing work is covered in the separate document on the [Art Earth Tech “Mutual Project Co”](#).

For the present, we intend to do an initial try-out with existing closely associated initiatives such as Datopian & LEAP.

# Spaces

See [Co-living at AET](#)

# Appendix - FAQs

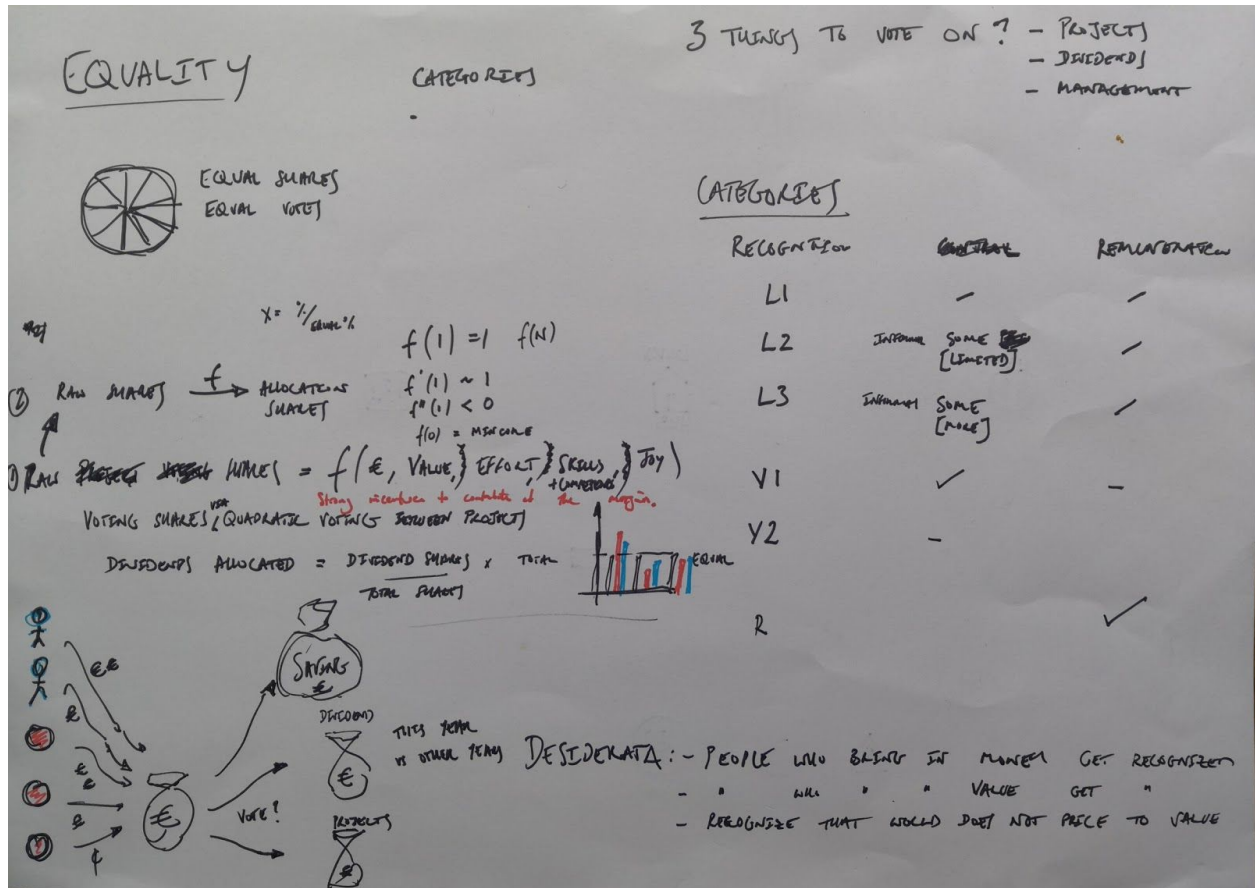


Fig 3: An early drawing from the AET Nucleus Sprint  
Aug 2018

- Wouldn't it be better if AET central fund reinvested all its surplus into AET?
- What is that people make money out of AET, that they earn it from the profit earning of associated companies of AET
- Why would AET want to be a non-profit?
- Fear: is that the making money will kill the community

