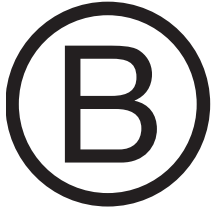


Certified



Corporation™

bcorporation.net

the change we seek™

Term Sheet for Class of 2009 B Corporations™¹

Corporations in States with Constituency Statutes, LLCs, and Partnerships

Introduction

This document outlines the terms for certification as a B Corporation™.

B Lab envisions a new sector of the economy which harnesses the power of private enterprise to create public benefit. This sector is comprised of a new type of corporation – the B Corporation™. B Corporations™ are purpose-driven and create benefit for all stakeholders, not just shareholders. B Corporations™ 1) meet comprehensive and transparent social and environmental performance standards; 2) institutionalize stakeholder interests; and 3) build collective voice through the power of a unifying brand.

The mission of B Lab, a nonprofit organization, is to support B Corporations and this emerging sector by 1) certifying B Corporations who achieve a minimum score on the B Ratings System and expand the responsibilities of their corporation to include consideration of the interests of employees, community, and environment; 2) recruit, provide services to, and promote B Corporations to consumers, investors, and policy-makers; and 3) help to build mission-aligned capital markets and tax, procurement, and investment preferences for B Corporations.

Governance Overview

The community of B Corporations™ is governed by a dynamic process of broad, transparent multi-stakeholder engagement. The Board of Directors of B Lab will establish several Advisory Councils to ensure continuous incorporation of best thinking and practices into B Lab's mission and activities. All B Corporation™ applications will be reviewed by B Lab, and acceptance into the B Community is at the sole discretion of B Lab and its Board of Directors.

The Advisory Councils will each focus on one of B Lab's core activities: Standards (certification and institutionalization); Branding (recruitment and promotion); Capital Markets (access and incubation).

Terms

B Corporations™ who receive certification in 2009 will:

- Receive the first year of certification at a 50% discount
- Receive marketing support, including:
 - Highlighted for media/pr opportunities, including B Lab press release to appropriate trade publication announcing Class of '09 certification and leadership
 - Prominent recognition as a Class of '09 B Corporation™ in B Corporation™ marketing, including on bcorporation.net
- Play a leadership role, if desired, in recruiting other B Corporations™
- Enjoy a cap of \$25,000 on the annual licensing fee during the first 5 years of certification

¹ 'B Corporation', 'the B Corporation Seal' and 'the change we seek' are trademarks of B Lab, Inc.

Terms (cont'd)

B Corporations™ agree to:

- Pay B Lab an annual licensing fee based on the full-priced tiered structure below; during the first year of certification the B Corporation™ will pay only 50% of the full price, and during the first five years the annual fee is capped at \$25,000

Full-Priced Tiered Fee Structure

Annual Sales	Basis Points	% of Sales
First \$10 MM in Annual Sales	10	0.1%
Next \$40 MM in Annual Sales	5	0.05%
Any Sales above \$50 MM	2.5	0.025%

The table below provides an illustration of the pricing structure

Example	Annual Sales	Fee Rates			Total Fee (After 1st Yr)	Total Fee (1st Yr)
		0 - 10 MM	10 - 50MM	50+ MM		
Small Company	\$2 MM	0.1%	0.05%	0.025%	\$2,000	\$1,000
Mid-Sized Company	\$20 MM	\$10,000	\$5,000	-	\$15,000	\$7,500
Large Company	\$200 MM	\$10,000	\$20,000	\$37,500	\$25,000*	\$25,000

*After the 5th year the annual fee cap may increase

If you are in a low margin business (gross margin less than 15%), please contact us about pricing

- Submit completed Version 1.0 of the B Survey for review and receive a passing score
- Submit to an audit if randomly selected; B Lab randomly audits 20% of all B Corporations over the 2 year certification period
- Attach all required documentation, found in Step 3 of Become a B, to complete their B Survey™ Submission
- Sign the B Corporation™ Declaration of Interdependence as a symbol of their commitment to our shared collective purpose
- Obtain Board (or other Governing Body) approval to amend their corporate governing documents to institutionalize stakeholder interests within 12 months of becoming a B Corporation™
- Schedule a Shareholders' Meeting to be held within 12 months of becoming a B Corporation™ to approve the amendment of the corporate governing documents
- Submit a copy of their amended governing documents within 12 months of becoming a B Corporation
- Use B Corporation™ intellectual property, including the name 'B Corporation™', and the 'B Corporation™ Seal', consistent with the 'B Corporation™ Brand Usage Guidelines' provided by B Lab; until a formal licensing agreement is signed, use of the B Corporation intellectual property is at the sole discretion of B Lab.
- Allow their names and logos to be used by B Lab for the limited purpose of promoting the community of B Corporations

Commitment

By signing below, I agree to the above terms and to assist B Lab in achieving its mission to the best of my ability.

Director / Officer

Director / Officer, B Lab

Date

Company

Date

Company

Certified



Corporation™

bcorporation.net

Declaration of Interdependence

We envision a new sector of the economy which harnesses the power of private enterprise to create public benefit. This sector is comprised of a new type of corporation — the B Corporation™ — which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As members of this emerging sector and as entrepreneurs and investors in B Corporations™,

We hold these truths to be self-evident:

That we must be the change we seek in the world;

That all business ought to be conducted as if people and place mattered;

That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so, requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.

Director / Officer

Director / Officer, B Lab

Date

Company

Date

the change we seek™