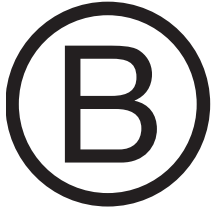


**Certified**



**Corporation™**

**bcorporation.net**

**the change we seek™**

## **Term Sheet for Class of 2009 B Corporations™<sup>1</sup>**

Corporations in States that do NOT have Constituency Statutes

### **Introduction**

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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**

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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**

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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

<sup>1</sup> '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		
		0.1%	0.05%	0.025%		
Small Company	\$2 MM	\$2,000	-	-	\$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
- Within 12 months of certification, pass a board resolution that commits the company to change its articles or reincorporate as a B Corporation within 12 months of the passage of legislation per the Non-Constituency State Legal Framework
- 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

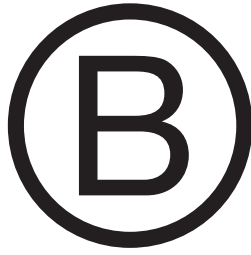
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Company

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Date

\_\_\_\_\_  
Company

Certified



Corporation™

[bcorporation.net](http://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™**