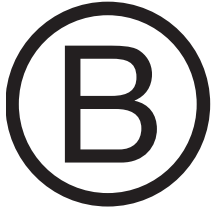


**Certified**



**Corporation™**

**bcorporation.net**

**the change we seek™**

## **Term Sheet for Class of 2011 B Corporations™<sup>1</sup>**

Corporations in states with constituency statutes, LLCs, and partnerships

### **Introduction**

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

B Lab is a nonprofit organization dedicated to using the power of business to solve social and environmental problems. B Lab drives systemic change through three interlated initiatives: 1) building a community of Certified B Corporations to make it easier for all of us to tell the difference between ‘good companies’ and just good marketing; 2) accelerating the growth of the impact investing asset class through use of B Lab’s GIIRS impact rating system by institutional investors; and 3) promoting legislation creating a new corporate form that meets higher standards of purpose, accountability, and transparency.

Certified B Corporations: 1) meet rigorous standards of social and environmental performance; 2) legally expand their corporate responsibilities to include consideration of stakeholder interests; and 3) build collective voice through the power of the unifying B Corporation brand.

### **Governance Overview**

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B Lab is governed by an independent Board of Directors and the performance standards used to certify B Corporations are governed by an independent Standards Advisory Council. Membership of both is transparent and available at [www.bcorporation.net](http://www.bcorporation.net). All submissions for B Corporation™ certification will be reviewed by B Lab; acceptance into and continued participation in the B Corp community is at the sole discretion of B Lab and its Board of Directors.

### **Terms**

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B Corporations™ who receive certification in 2011 will:

- Be certified for a two year term beginning the date of certification
- Meet performance standards for B Corp Certification:
  - Submit completed Version 3.0 of the B Impact Assessment for review and receive a passing score (80/200)
  - Submit to an on-site review if randomly selected (B Lab randomly conducts on-site reviews for 20% of all B Corporations over the 2 year certification period)
  - Attach all required documentation to complete their B Impact Assessment™ Submission

<sup>1</sup> ‘B Corporation’, ‘the B Corporation Seal’ and ‘the change we seek’ are trademarks of B Lab, Inc.

## Terms (cont'd)

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- Meet the legal standards for B Corp certification ([www.bcorporation.net/become/legal](http://www.bcorporation.net/become/legal)):
  - Have begun the process for adopting the B Corp Legal Framework or adopting Benefit Corporation status by the date of certification (e.g. have had conversations with Board chair, counsel, or key shareholders, indicating support for said adoption);
  - Obtain Board (or other governing body) and subsequent Shareholder approval to amend corporate governing documents to institutionalize the consideration of stakeholder interests or adopt Benefit Corporation status
  - Submit a copy of the Company's amended governing documents within 90 days of certification (up to 1 year for corporations)
- Abide by intellectual property requirements:
  - 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.
  - Allow the Company's names and logos to be used by B Lab for the limited purpose of promoting the community of B Corporations
- Sign the B Corporation™ Declaration of Interdependence as a symbol of their commitment to our shared collective purpose
- Pay B Lab an annual certification fee based on the tiered structure below

Annual Sales	Annual Fee
\$0 - \$1,999,999	\$500
\$2 M - \$4,999,999	\$1,000
\$5 M - \$9,999,999	\$2,500
\$10 M - \$19,999,999	\$5,000
\$20 M - \$99,999,999	\$10,000
\$100 M +	\$25,000

- Provided that the company takes and passes the most current version of the B Impact Assessment and completes a review with a B Lab staff member every two years, this Term Sheet will automatically renew unless either party chooses to cancel the contract in writing for any reason.

## Commitment

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By signing below, I agree to the above terms.

\_\_\_\_\_  
Director / Officer

\_\_\_\_\_  
Director / Officer, B Lab

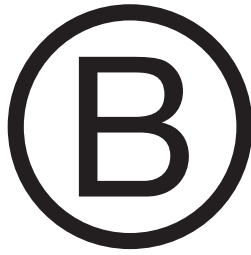
\_\_\_\_\_  
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\_\_\_\_\_  
Company

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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™**