

Moye|White

B Corps & Benefit Corporations

PRESENTED BY

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B Corp	Benefit Corporation
A standards-based certification designation	A legal form of business entity
B Labs, a 501(c)(3) standards body	State legislatures
<ul style="list-style-type: none"> • Complete B Impact Assessment/Achieve score • Provide required documentation • Meet transparency requirements • Adopt applicable legal requirements • Pay certification fee 	<ul style="list-style-type: none"> • File articles of incorporation in a state that allows benefit corporations and amend Bylaws (and meet other formalities) • Convert existing entity
<ul style="list-style-type: none"> • Submit to a site review (if required) • Recertify every three years 	Continuing filing requirements Periodic public benefit report
If available in State, must be a Benefit Corp.	Need not be a B Corp (but must use credible third-party standards)

What is a Benefit Corporation

Has a **corporate purpose** to promote one or more public benefits

Be **accountable** to shareholders by balancing the financial interests of shareholders, the best interest of those affected by the corporation, and the public benefits

Share a report with the public describing how the company has promoted its purpose and assessing its social and environmental performance against a third party standard

Becoming a Benefit Corporation

The articles of incorporation must identify one or more specific public benefits that the entity will promote

The articles of incorporation must state at the beginning that the entity is a “public benefit corporation”

The entity’s name can include the words “public benefit corporation”

Share certificates issued for a “public benefit corporation”

Special process for conversion

Clarity for Benefit Corporations

Benefit Corporations do not need to become B Corps

Benefit Corporations are not subject to special audit

All corporations, including Benefit Corporations must ensure shareholder primacy

Rights of shareholders are not greatly limited in a Benefit Corporation

Benefit Corporations can be strong financial performers

Questions?

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