



## ORGANIZING A BENEFIT CORPORATION

(NOTE: The following information may be utilized in drafting the articles of incorporation, but this form itself is not suitable as articles of incorporation. DO NOT SUBMIT THIS FORM.)

1. **Adaptation of Form 2 (Articles of Incorporation).** The articles of incorporation must state the corporation is a benefit corporation organized under ch. 204 of the Wisconsin Statutes. Suggested language:

*Article 6. Other provisions:* “This corporation is organized as a benefit corporation under ch. 204 of the Wisconsin Statutes and has the purpose of creating a general public benefit, in addition to any purpose under s. 180.0301. The corporation shall have all the powers and privileges of corporations organized under ch. 180 of the Wisconsin Statutes, except as limited or modified by ss. 204.101 to 204.401, Wis. Stats.”

OR

“This corporation is organized as a benefit corporation under ch. 204 of the Wisconsin Statutes and has the purpose of creating a general public benefit, in addition to any purpose under s. 180.0301. The corporation shall have all the powers and privileges of corporations organized under ch. 180 of the Wisconsin Statutes, except as limited or modified by ss. 204.101 to 204.401, Wis. Stats. This corporation also has the purpose of creating the following specific public benefits:

[list specific public benefits from s. 204.102 (7), Wis. Stats. as appropriate]”

2. **Converting an Existing Business Corporation to a Benefit Corporation.**

A. Conversion requires amendment of the articles of incorporation to state that the corporation is a benefit corporation organized under ch. 204 of the Wisconsin Statutes.

B. If a corporation that is not a benefit corporation is a party to a merger, consolidation, or division, or is the exchanging corporation in a share exchange (together as “fundamental transaction”), and the surviving, new, or resulting corporation in the fundamental transaction is to be a benefit corporation, then the fundamental transaction shall not be effective unless the articles of the surviving, new, or resulting corporation contain a statement that the corporation is a benefit corporation.

C. The amendment or fundamental transaction must be approved by the holders of at least two-thirds of the votes of each class or series of shares of the corporation entitled to vote on the matter.

D. If approved, a shareholder who did not vote in favor of a conversion is entitled to assert dissenter’s rights under ss. 180.1301 to 180.1331, Wis. Stats.

3. **Termination of benefit corporation status.** A corporation may terminate status as a benefit corporation by amending its articles to delete the language electing to designate the corporation a benefit corporation.

4. **CAUTION: One should not attempt to organize a benefit corporation, or convert an existing corporation, without first giving immediate attention to the Wisconsin Benefit Corporation and Business Corporation Laws, respectively ch. 204 and ch. 180 of the Wisconsin Statutes, especially the provisions in ss. 204.301 to 204.401 pertaining to the additional obligations of benefit corporations.**