



## **Building a Companization**

The formation of a companization takes place in the following order:

1. Selection of activities, social objective, and ethical framework.
2. Formulation of Articles of Incorporation.
3. Registration of the corporation and the non-profit association at the same time.
4. Shareholders' Agreement that governs the transfer of 10% of the ownership in the company to the association.

The above also implies that there is a need to appoint board members, directors, and management for both the company and the association simultaneously. Therefore, the model stipulates that the founder shall decide who the first representatives are, how long they shall remain in office, etc.

It can take 2 to 3 years before the founder can be sure that all individuals in their respective organizations are fully aware of the company and the association's role and the responsibility that follows. Therefore, a fundamental part of the creation is to recruit owners, management, and members who have all developed similar views regarding the operations and activities.

The founder retains the right to decide when the association will be able to function as intended, and the transfer of shares from the company to the association should not be executed before that is concluded. When the shares are transferred, one of the main objectives of the Companization, to give the public access to a company without being an owner or part of the management, is finally achieved.

In short, you start building a solid and robust business, grow your association, and transfer shares when the association is ready for it.