

**Singularity Education Group
Benefit Corporation Report
for the period ending December 31, 2014**

After having operated as a nonprofit organization since 2008, Singularity University (“SU”) incorporated as a California benefit corporation under the corporate name Singularity Education Group (“SEG”), shortly after that legal form came into being in 2012; since October 2012, SEG has done business under the trade name Singularity University. By choosing to form itself as a California benefit corporation, SU opted to be governed by certain accountability and transparency requirements found in Sections 14600-14631 of the California Corporations Code (the “**Benefit Corporation Law**”). SU posts this report to its website in compliance with the Benefit Corporation Law, and has also posted its 2015 Impact Report which describes in greater detail the ways in which SU pursues positive impact through education, innovation, and community building activities. This benefit corporation report covers the period from January 1, 2014 to through December 31, 2014, the end of SU’s most recent fiscal year. SU has no subsidiaries.

As a benefit corporation, SU is statutorily required, as part of its corporate operations, to pursue the creation of a “general public benefit.” The Benefit Corporation Law defines this concept as a material positive impact on society and the environment, taken as a whole. In addition to this general public benefit, SU’s Articles of Incorporation include the following specific public benefit purpose:

“The specific public benefit purpose of the corporation is to improve life by advancing exponentially growing technologies, providing education about those technologies, and developing companies that leverage those technologies.”

In the opinion of the SU Board of Directors, SU has, through its core education, innovation and community-building activities (further described in the 2015 Impact Report), pursued its general as well as its specific public benefit purposes in all material respects during the period covered by this report. Having reviewed it, the Board finds that the Impact Report adequately describes the extent to which that general public benefit was created both by SU’s direct activities and those of its community members.

SU gathers and reports on certain internally developed metrics in the Impact Report to track its progress in three core areas of focus. In compliance with the Benefit Corporation Law, SU selects a third-party standard for defining, reporting and assessing SU’s overall social and environmental performance. SU’s Executive Team selected Version 4.0 of the “B Impact Assessment” (the “**Assessment**”) as the most appropriate tool for SU after evaluating the relative merits of available third-party standards. This web-based assessment tool is developed by B Lab, a US-based nonprofit organization that has been instrumental in facilitating the creation of benefit corporation legislation across the United States. B Lab is independent of SU, meaning no financial or governance connection exists between B Lab or its officers and directors and SU and its directors, officers that might materially affect the credibility of SU’s B Impact Assessment. Although B Lab makes the tool available, B Lab did not, and is not legally required to, audit or certify SU’s results.

In the Assessment, SU receives points as a result of its practices in the areas of governance, worker treatment, local community engagement, and the environment. SU earned additional points under the Assessment for the following “social enterprise business models”:

- offering educational services to consumers and providing them with the tools to solve social or

- environmental problems; and
- increasing the flow of capital to mission-driven enterprises such as our SU Labs Companies.

SU scored 95.9 points on its 2014 B Impact Assessment. According to benchmark data provided by B Lab, this score is approximately 20% higher than the threshold requirement for “B Corporation” certification from B Lab, and only 1% lower than the benchmark average of all certified B Corporations counted (according to data provided by B Lab). SU is proud to have scored above national averages on its governance and worker ownership metrics. Although SU faces some unique constraints with respect to its headquarters, which are located within a historical building in a NASA research park, the Assessment results have provided valuable insights on SU’s greatest opportunities to create additional general public benefit. These opportunities lie in the areas of deepening SU’s engagement with its immediate local community, further decreasing the environmental footprint of SU’s headquarters operations, and better monitoring its supply chain.

As part of the Benefit Corporation transparency requirements, SU must annually disclose any shareholders who own 5% or more of the company’s outstanding stock. Currently, four (4) distinct categories of people who hold pecuniary interests in SU: shareholders, option holders, warrant holders, and investors who have received a “convertible” promissory note from SU. Options are a right to buy shares in the future at a certain price and are often used as part of compensation for employees and advisors. Warrants, like options, are also the right to purchase shares in the future at a certain price but are used as additional incentive in certain transactions. The convertible note holders are our “investors”—these are people who lent money to SU during our fundraising in exchange for promissory notes that, in the future, can convert into equity shares in the company, meaning this group of people would join the first group as shareholders.

The parties disclosed in this report to own 5% of SU’s outstanding stock may change over time as option holders or warrant holders exercise their vested options or warrants for shares, as convertible note holders convert into equity, or if SU raises new equity funding. Any of the foregoing could “dilute” existing shareholders including the following individuals, meaning that their respective slice of the pie of total company SU ownership could become smaller over time, including dropping below 5% and falling off this list in future reports. As of December 31, 2014, the individuals owning more than 5%* of SU stock were:

- Ray Kurzweil (Co Founder and Chancellor)
- Peter Diamandis (Co Founder and Executive Chairman)
- Rob Nail (CEO and an Associate Founder)
- Salim Ismail (Founding Executive Director and Global Ambassador)
- Gabriel Balducci (Chief Strategy Officer)
- Emeline Paat-Dahlstrom (Chief Impact Officer)

*The denominator used for this calculation is comprised solely of SU’s issued and outstanding stock as of December 31, 2014. The denominator does not include:

1. Shares held in reserve for SU’s option pool or issued but unexercised options;
2. Issued but unexercised warrants; or
3. The shares that SUs convertible note holders may receive upon conversion of their promissory notes into equity.