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Veeva Systems: The Journey to Converting to a Public Benefit Corporation

Integrity means doing the right thing even when no one else is there to judge.

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The Hike

As the sun peeked through the coastline fog above Point Reyes National Seashore in Marin County, California, on a quiet Sunday morning of July 20, 2019, two hikers, both 54-years of age, set forth. The duo— Peter Gassner, the founder and CEO of Veeva Systems (“Veeva”), and Gordon Ritter, its board chair and the general partner of Emergence Capital (**Exhibit 1**)— also discussed two different journeys they were about to take. The first was imminent: Which trail to take for their six-hour, 15-mile daylong hike? They had long met periodically on weekends to discuss strategic issues confronting their company. The second was the focus of the hike: Was now the time for Gassner to lead an effort to convert Veeva, a publicly traded company, into a public benefit corporation (“PBC”)? How might becoming a PBC align with Veeva’s multi-stakeholder approach and four existing core values—Do the Right Thing, Customer Success, Employee Success, and Speed (**Exhibit 5**)—so that future generations of colleagues might benefit? Moreover, what were the pros and cons of doing so?

Adam Sterling, executive director of the Berkeley Center for Law and Business; Amelia Miazad, founding director and senior research fellow, Business in Society Institute; and case writer Dickson L. Louie prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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Unlike most for-profit companies, which have traditionally focused on shareholder primacy,¹ the PBC—a relatively new corporate form that has been introduced in Maryland, California, Delaware, and 33 other states over the past decade—would also allow corporations to legally fulfill a specific public benefit purpose that would benefit multiple stakeholders, not just shareholders. Ever since Veeva, a cloud-based company that serves the life sciences-related industries, was founded in 2007 (**Exhibit 2** for timeline), Gassner had been troubled by the stated corporate purpose in the company's articles of incorporation. They were not entirely aligned with Veeva's multi-stakeholder approach and core values and had no mention of its other stakeholders—customers and employees. Veeva's conversion to a PBC would help reconcile that.

Gassner knew that putting the company on a track to become a PBC would be uncharted territory. First, company leadership was still learning about the nuances of PBCs themselves. Second, as the first public company to convert to a PBC, they also had to educate their board members, investors, and employees on the benefits of doing so. Other PBCs, like Patagonia, Coursera, Vital Farms, or Lemonade, were either smaller or had become PBCs as privately held companies or through an initial public offering (IPO). Even though Gassner had initially felt something was amiss in the original articles of incorporation, given that Veeva was an early startup that might not even survive, he decided to put that thought aside and signed off on the standard corporate form.

But Veeva did survive, and thrive, as a business. Over the next 11 years, it added hundreds of new corporate customers and hired thousands of global employees—going public in October 2013 (**Exhibit 6**). By the end of fiscal 2019, Veeva had a market capitalization of \$21 billion, sales of \$862 million and had 2,553 employees worldwide. Veeva was also highly profitable, with an operating margin of approximately 25%. Included in its customer base of pharmaceutical, biotechnology, and medtech companies, were Bayer AG, Eli Lilly, and Merck.²

Concurrently, an increased public focus on sustainable capitalism and corporate purpose came to the forefront of conversations on the role of business in society. In response, thought leaders within the U.S. became increasingly receptive to the idea of having alternative corporate forms, so companies could do more to address the needs of multiple stakeholders—employees, customers, suppliers, and communities—not just its shareholders. These new corporate forms would also make serving a specific benefit purpose mandatory in the corporate charter. However, despite adoption by a number of state legislatures and interest from a few companies, conversion to a PBC was still considered risky. Corporate attorney and pioneer of California's PBC statute, Susan Mac Cormac, elaborated:

Corporations like to speak boldly about their commitments to social responsibility, but their actions are often weak and rarely legally binding. The decision to convert to a PBC, especially as the first public company to do so, is monumental.

For Gassner, the PBC provided an opportunity to make Veeva's employees and its life sciences industry customers—and, ultimately, the patients those customers served—part of its official corporate mandate. Also rekindling Gassner's interest in codifying Veeva with a deeper corporate purpose was a conversation he had with the CEO of one of Veeva's top customers at a leading global pharmaceutical company. The CEO had questioned Gassner on whether Veeva would still make customer success its number one value

¹ Shareholder primacy is a corporate governance concept holding that shareholder interests should be the first priority relative to all other corporate stakeholders.

² Veeva Systems, 2019 10-K report, U.S. Securities and Exchange Commission.

when it became a more significant player in the life sciences industry. That conversation encouraged Gassner to change Veeva's corporate form so that its legal charter would also align to its core values and ensure the company's multi-stakeholder approach for the decades to come, instead of having customers rely on his promise that Veeva will always "do the right thing."

In 2015, changes to Delaware corporate law had made it easier to convert to a PBC by lowering the shareholder approval threshold from an initial 90% to a two-thirds majority. This PBC conversion threshold was changed again in July 2020 to a simple majority of shareholders.³ In reaching out to Ritter, Gassner wanted to see how receptive the other board members might be to a conversion. Ritter agreed with Gassner that converting to a PBC was the right thing for Veeva to do. Being the first, and largest, public company to convert would send a strong message, internally and externally, on what the company stood for. Together, they decided on a game plan that involved the entire board, soliciting feedback from customers, employees and investors. Their journey was about to begin in earnest.

A Short History on the Evolution of Corporations and Corporate Purpose in the U.S.

Early Beginnings in U.S. History. Throughout U.S. history, the role of the corporation has been hotly debated, while its definition of purpose has evolved. It was initially set up in the early 1800s as a legal entity to enable the outsourced building of public infrastructure, such as railroads, and to limit its owners' liabilities to only the activities of the firm. Corporations initially existed for a narrow business purpose and often for a limited time, usually for the duration of a specific project. Since corporate law in the U.S. is state-based and corporate charters are granted at the state level, states began to compete for incorporations, often offering terms that were more lenient to management and businesses. As a result, corporations could exist for an unlimited time—unless they were sold or dissolved—and act primarily for the economic interests of its shareholders over the general interest of the community at large. By 1914, with the rise of corporations, mergers, and other monopolistic-related abuses, Justice Louis Brandeis, an associate justice of the U.S. Supreme Court warned that "giant corporations, unconstrained by shareholders, would harm the public and crush competition with small proprietors."⁴ As a result, Brandeis believed that a free society would also be at risk.

Great Depression, FDR, and Subsequent Regulatory Reforms. Following the 1929 stock market crash, which led to the Great Depression and economic upheaval throughout the U.S., the administration of President Franklin D. Roosevelt ushered in a new era of Federal regulatory reforms. Under Roosevelt, the Securities Act of 1933 (increase corporate transparency), the Securities Exchange Act of 1934 (regulate securities transactions), the Social Security Act of 1935 (minimum income for seniors), and the Fair Labor Standards Act of 1938 (minimum wage) were among many federal laws passed to help amend economic disparities and limit corporate powers. New commissions, such as the SEC, FDIC, and the National Labor Relations Board, emerged to enforce the regulations. Decades later, succeeding administrations would add other regulatory laws to enforce equality or recognize stakeholder rights, such as the Civil Rights Act of 1964 under President Lyndon Johnson, or the National Environment Protection Act of 1970 and the Equal Employment Opportunity Act of 1972 under President Richard Nixon.

³ "Client Alert: Delaware Makes it Easier for Corporations to Become Public Benefit Corporations, Potter Anderson Corroon, legal blog, July 20, 2020, <https://www.potteranderson.com/newsroom-news-Delaware-Makes-it-Easier-for-Corporations-to-Become-Public-Benefit-Corporations.html>

⁴ Amelia Mizard, "Sustainable Capitalism and ESG" online course, Module 1 video lecture, School of Law, University of California, Berkeley, 2021.

Milton Friedman on Corporate Purpose. After decades of increased corporate regulation, the pendulum began to swing back to the idea that the sole purpose of a corporation was to focus on the profit-maximization for its shareholders—the concept of shareholder primacy. In an article entitled “The Social Responsibility of Business Is to Increase Profits” in *The New York Times Magazine* in 1970, Chicago economist and Nobel Laureate Friedman wrote:

There is one and only one social responsibility of business: to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.⁵

This article would later be known as “The Friedman Doctrine” and would serve as a basis for corporate governance by shareholders, board directors, and managers in the ensuing decades.

Corporate Purpose at the Crossroads and the Emergence of Sustainable Capitalism. By the end of the 20th century, legal scholars began to question the effectiveness of the shareholder primacy concept, thinking that companies should consider other constituencies. R. Edward Freeman, a business professor at the University of Virginia, argued for a stakeholder theory as an alternative approach to corporate governance in his 1999 book, *Strategic Management: A Stakeholder Approach*. Freeman wrote:

The idea that business is about maximizing profits for shareholders is outdated...The 21st century is about “Managing for Stakeholders.” The task of executives is to create as much value for stakeholders without resorting to tradeoffs.

In Response to the Stakeholder Theory. In 2010, Maryland became the first state to offer a PBC as a new corporate form with a stated beneficial purpose. Since 2011, California has allowed for two different types of benefit corporations: The Social Purpose Corporation and the California Benefit Corporation, of which the latter is more popular. In 2013, Delaware began to allow for the existence of PBCs, also known as Delaware Public Benefit Corporations. This was significant since the vast majority of public companies and venture capital-backed private companies are incorporated in Delaware. By mid-summer 2020, 36 states offered a PBC form, although the nuances of each differed from state to state. Most current PBCs are registered in either Delaware or California. “What PBCs do,” said Rick Alexander, founder of the Shareholder Commons and the former Head of Legal Policies at B-Labs, “is that they expand the fiduciary responsibilities of a company’s directors and executives, by expanding their constituencies to include other stakeholders. In doing so, they also become more responsible to society.”

Just a few years earlier, as public interest in corporate responsibility grew, B-Labs, a non-profit founded in 2006, began certifying for-profit companies with a “B-corporation status” once they met several criteria: transparency, accountability, sustainability, and performance. The certification is similar to those granted from the other non-profit groups, such as the Rainforest Alliance, LEED, or Fair Trade.⁶ B-Labs then helped to write the initial PBC framework in the late 2000s that many states used as the basis for defining PBCs. The distinction between achieving “B-Corporation” status and being a PBC is important. They are not the same thing, although an individual company can be both (and today, B-Labs requires its certified companies to now commit to becoming PBCs).

⁵ Milton Friedman, “The Social Responsibility of Business Is To Increase Profits,” *The New York Times Magazine*, 1970

⁶ Joshua M. Hayes, “What’s the Difference Between a Public Benefit Corporation and B-Corp Certification?” Hutchison PLLC, September 13, 2019.

Larry Fink's January 2018 Blackrock Letter. As a rebuke to Friedman's idea of shareholder primacy, as well as to the short-term focus of many corporate executives and activist shareholders, Larry Fink, the co-founder and CEO of Blackrock, the largest fund manager in the world, argued that companies should consider taking a stakeholder approach in building their long-term value. In his annual year-in-review letter to CEOs, released in January 2018, Fink wrote:

Companies must ask themselves: What role do we play in the community? How are we managing our impact on the environment? Are we working to create a diverse workforce? Are we adapting to technological change? Are we providing the retraining and opportunities that our employees and our business will need to adjust to an increasingly automated world? Are we using behavioral finance and other tools to prepare workers for retirement, so that they invest in a way that will help them achieve their goals?⁷

Business Roundtable's August 2019 Redefinition of Corporate Purpose. In August 2019, the Business Roundtable, a non-profit association made up of CEOs of the largest corporations in the U.S., issued a statement that indicated an ideological shift from its long-time focus on "shareholder primacy" and toward "stakeholder theory." The statement noted:

Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment, and economic opportunity for all.⁸

The statement also mentioned four key stakeholders, outside of investors, that Business Roundtable companies should serve: "Delivering value to our customers; Investing in our employees; Dealing fairly and ethically with our suppliers; Supporting the communities in which we work."⁹

Background of Peter Gassner

Growing up in Portland, Oregon. Born into a Swiss-German immigrant family and the third of six children, Gassner was raised in Portland during the 1970s. Growing up, he often helped out in his father's machine shop. Seeing how his father ran his small business impacted Gassner's own values on the importance of customers. Influenced by his experiences working with his father, Gassner believed that an individual's values are often formed during the first 20 years of a person's life—something that he still asks job candidates about during interviews. He recalled:

When I was about seven, I realized that my dad did not have a boss; he owned his own small business. All my other friends' dads had bosses. I told him, "That's great, you don't have a boss," and I still remember his response. He said, "We have large customers, if we lose any of them, we'll have to move out of our house. The customers are my boss."

⁷ Larry Fink, 2018 Annual Letter to CEOs, Blackrock, posted on Harvard Law School Forum on Corporate Governance, January 18, 2018 <https://corpgov.law.harvard.edu/2018/01/17/a-sense-of-purpose/> Accessed July 24, 2021.

⁸ Business Roundtable Redefines the Purpose of a Corporation to Promote "An Economy That Serves All Americans," Business Roundtable, August 19, 2019 press release. <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>

⁹ Ibid

Mainframes, Client Server, Cloud, and Cloud-specific Industries. Gassner then went on to Oregon State University, where he majored in computer science. His father, who had limited formal education, had impressed upon him the importance of having technical skills that would always be in demand. He also liked the puzzle-solving aspects of computer science. Early in his career, Gassner was not interested in going into management, as he felt middle managers would be the first to be laid off in an economic downturn. Upon graduation in 1989, he worked as a software engineer at IBM's Silicon Valley Lab and its Almaden Research Center, where he focused on database optimization for the next six years. While at IBM, he was asked to consider management, but did not want that path.

In 1995, Gassner moved to PeopleSoft, where he started as an engineer. Again he was asked to consider management, and was finally talked into it with the option to return to the technical side after a year if he did not like it. He enjoyed management, was good at it, and ultimately became vice president and general manager of the PeopleTools division, managing approximately 500 people.¹⁰ After spending eight years at PeopleSoft, Gassner then joined Salesforce in 2003, when it was still a private company, as its senior vice president of technology helping to build its initial cloud platform.

A Purposeful Moment to Reflect. Needing a break after 16 years of non-stop work, Gassner then decided to take a self-imposed 17-month break in September 2005. Besides spending more time with his family, he also used the sabbatical to think about his next career move, especially on opportunities in the emerging area of cloud computing. Gassner explained:

I was ready to get back to work. I knew cloud software and felt that the next phase of cloud innovation would be industry- or vertical-specific. I've always been interested in life sciences—it's a complex industry that does good things—so I decided to take a leap there.

Veeva Systems: The Early Years

Defying Conventional Wisdom. Gassner's new company would provide subscription-based cloud computing solutions for the life sciences industries—built on the Salesforce cloud platform. There's an internal company story, ingrained in Veeva folklore, that says when Gassner first explained his new business concept on a napkin to a friend, prior to starting the company, the friend was aghast that Gassner was only interested in serving a “sliver” of the entire Consumer Relationship Management (CRM) market. “OK, let me understand this,” the friend reportedly said, holding his arms up wide, “This is the software market. This is the CRM market. And all you're interested in is sales automation for the life sciences industry? Why would you be interested in doing that? It's only a tiny piece.” Having been at the forefront of tectonic shifts in the computing industry, Gassner's reaction was, “That's great, because if it's not obvious to other people, there might be something really interesting here.”

Ron Codd, a Veeva board member and who had worked with Gassner at PeopleSoft while he was the CFO, added:

Peter's been at the forefront of innovation in the computer industry over the past 30+ years—from the mainframe to client server to cloud to industry-specific cloud. More than any other CEO I have ever worked with, he relentlessly questions established methods, processes and conventions, and as a consequence, Veeva would be uncommon in many respects: 1) A well-

¹⁰ Peter Gassner, LinkedIn profile, accessed July 15, 2021.

orchestrated focus on core values, 2) a unique approach to workforce recruitment, compensation, and benefits, and 3) a noteworthy level of overall efficiency.

Incorporating Veeva. Registered as a Delaware corporation, Veeva was incorporated in January 2007. When Gassner signed the articles of incorporation, he was surprised by how the articles framed the purpose of the corporation. Gassner recalled reviewing and signing the initial papers:

I remember reviewing the articles and realizing that all we were required to do was make money for our shareholders and refrain from anything illegal. That's it. There was nothing on how the company related to its customers or employees. I did not feel like that was the type of company I wanted to build, but since we were a startup with a high probability of failure, I decided to just sign the articles and move on. I did not give it much thought, until I realized [years later] that we were going to be an important company. Had I known that, maybe I wouldn't have signed it as it was written.

Brian Patterson, a Silicon Valley corporate attorney who has represented Veeva from its incorporation and through its IPO, reflected on this:

There is a saying in Silicon Valley that you should innovate your business model, not your legal structure. It is certainly an outlier when someone pushes back on the idea of shareholder primacy when incorporating a startup. The fact that Peter was uncomfortable with this back in 2007, and today has led to Veeva's conversion to a PBC, is remarkable.

Launching the Company. To help Gassner build the company, he and several of his early investors, decided that a senior executive with experience and extensive networks in the life science industries would be critical for Veeva's success. Early Veeva Board members introduced Gassner to Matt Wallach, a Harvard MBA who had worked as a General Manager, Pharmaceutical & Biotechnology, at Siebel; Vice President and Product Manager at IntelliChem; and Chief Marketing Officer at Health Market Science.¹¹ Wallach joined Veeva in March 2007 to focus on strategy, alliances and business development,¹² building the company's sales capabilities from scratch. Wallach and Gassner complimented each other's personalities and work interests. Wallach noted:

Peter and I are very, very different from one another. He grew up in his father's machine shop. He's an engineer and a very critical thinker who is always looking ahead at what might go wrong. I'm basically the opposite of all of that. I grew up on the soccer field. I'm very optimistic. That has enabled two things. One, is when we agreed on something, we were almost always right, because we approached it from such different perspectives. Second, it enabled us to divide and conquer pretty easily because we had complementary strengths. So, I took sales, marketing, and go-to market strategy. He took the product and implementations. And that's all you need.

¹¹ Matt Wallach, LinkedIn profile, accessed July 26, 2021.

¹² Ibid.

Veeva Systems: Going Public

Initial Public Offering. On October 16, 2013, Veeva went public, raising approximately \$217 million through an IPO led by the investment banking arm of Morgan Stanley. Veeva had only raised \$7 million in equity capital prior to its IPO—with \$4 million coming through Ritter’s Emergence Capital—making it a “stunningly lean company as far as enterprise companies go.”¹³ After the IPO, there were two classes of stock—the “A” shares issued through the IPO and the “B” shares that were issued to employees, executives, and directors prior to the IPO. Each “A” share had one vote, while each “B” share had ten votes. A “sunset clause” ten years after the IPO would then merge two stock classes and each share would only have one vote each. Gassner now holds 51.7% of the total voting power.¹⁴ In his CEO letter in the IPO registration statement filed with the U.S. Securities and Exchange Commission (**Exhibit 3**), Gassner noted the importance of both “employee success” and “customer success”—two of Veeva’s four core values—and also stressed his desire to create a “lasting company.” He wrote:

Nothing of significance was built in the short-term. We are focused on building a lasting company. A company that delivers significant value to its customers, employees, partners, and investors. A company for which we can all take pride. We admire organizations like Amazon, Google, IBM, and GE that are guided by the long-term. If we have to trade off short term financial gains for long-term customer success and employee success, we will do that.¹⁵

Executing in the Veeva Way. Between 2013 and 2016, Veeva grew rapidly from \$130 million to \$409 million in sales revenue; from \$30 million to \$79 million in operating profits; and from 573 to 1,474 employees (**Exhibit 6**). It scaled, guided by the “Veeva Way,” (**Exhibit 4**) a disciplined methodology for execution. It consisted of five key steps:

- Focus on addressing clear and correct target markets;
- Embrace the concept of running to complexity;
- Focus on delivering product excellence and innovation;
- Develop early adopters into vocal advocates, enabling Veeva’s reference selling model; and
- Drive strong growth and profitability through highly efficient, targeted sales and marketing, disciplined product planning, and profitable professional services.

As Veeva became a major player in its cloud computing segment, it only rekindled Gassner’s interest in revisiting the original articles of incorporation. He said:

Over the years I started to feel at odds with our stated corporate purpose in the articles of incorporation because we were operating the company with a multi-stakeholder perspective, with careful consideration of our customers and employees. I had to resolve this so our incorporation was aligned to how we operate.

¹³ Josh Constine, “Veeva System’s Life Science Cloud IPO Is A Hit and Raising \$217M and Closing Up 85%,” TechCrunch, October 16, 2013.

¹⁴ Veeva Systems, 2021 Special Meeting Proxy Statement, U.S. Securities and Exchange Commission, Page 8.

¹⁵ Veeva Systems, Letter from the Chief Executive Officer, S-1 registration form, U.S. Securities and Exchange Commission, October 2013.

Veeva Systems: The Transition

A Customer Meeting in France. A seminal moment for Gassner in putting Veeva on track for a PBC conversion was a December 2014 meeting with an executive at a large global pharmaceutical company in France, which was also one of Veeva’s largest customers. Gassner recalled:

The customer executive said, “Veeva is doing well and can become the leader in this application segment of CRM. But how do I know you're not going to just become like other big providers, who don’t treat their customers very well? That's what happens once you gain market share, you don't innovate, become arrogant, and raise prices. How can you guarantee that that won't happen with us?”

Peter remembers thinking it was a very astute question and thought to himself at some point I'm going to have to have a better answer to that than ‘trust me’... we have to find a better way to do this.”

Putting the PBC Concept in Motion. After a solitary bike ride in 2018 to reflect on Veeva’s future, Gassner felt the time was finally right for Veeva to convert to a PBC. Eleven years had passed since he had signed the articles of incorporation, five years since the IPO, and Delaware corporate law now allowed for PBCs. Veeva was still growing. Gassner decided to approach Ritter, the chair of Veeva’s board, in July 2019 during their Point Reyes hike for his advice on how to shepherd Veeva through a PBC conversion. Ritter recalled:

We looked at all the risk factors and we said, “This could hurt us with some institutional investors. And while very few other companies were considering the PBC form, I did think it was an excellent fit for Veeva, because we had so much to gain from this new structure—by being so employee and customer focused. It was a really good opportunity for Veeva to lead the way.

Veeva Systems: Navigating a PBC Conversion

Late 2019 to September 2020: The Board Discussion and Choosing the Benefit Purpose. After the hike, Ritter and Gassner shared the idea of a PBC conversion with Veeva’s Board as an exploratory concept. The Board met six times, between September 2019 and September 2020 to consider the matter in depth. After an internal review, the Board would either decide to publicly issue a press release if they were leaning in favor of the idea, announcing that they would continue to seek input on the PBC conversion with employees and investors before voting; or they would not make a public statement if the Board was not in agreement to go forward. A key area of discussion within the Board over that 12-month time span was understanding the legal differences between a B-Corporation—the designation from B-Labs—and a PBC, looking at other examples of mission-driven companies, and defining the specific public benefit. Wallach noted:

At the start of the process, I thought more was known about B-Corporations and PBCs, but it turned out that many people didn't really know the specifics. The fact that a B-Corporation is not an actual legal structure made it less strong in our view. If you're really going to be serious about purpose, you should be a PBC.

In exploring the PBC concept, the Board did their research on several mission-driven corporations and determined what similar value-added benefits there might be for Veeva. Ritter recalled:

We came back to the Board and said, this could really be powerful in these areas: Helping our customers, which can help us financially, and attracting employees, because they'll know we are a mission-driven company.

September 2020: Seeking Input on PBC Conversion from Employees and Shareholders. As the initial Board discussions on the PBC conversion finished near the end of summer 2020, the Board decided to move forward and publicly announce that Veeva would be forming a special Board committee to seek additional input from its shareholders. This was announced internally through an email from Gassner (**Exhibit 8**) and externally in a general press release (**Exhibit 9**) on September 16, 2020. Ritter added: “Ultimately, we decided to make it official and go for the vote. It was done in three parts: internal communications to employees, public announcements to be transparent, and discussions with shareholders to gain feedback.”

Fourth Quarter 2020: Seeking Input from the Shareholders. After the public announcement, Gassner and two of the Board directors representing the special Board committee led calls to seek input from the investors including the top institutional investors before the Board made an official recommendation about the PBC conversion. Josh Faddis, Veeva’s general counsel, noted that even with a PBC structure, delivering on the financial projections wouldn’t change. As a PBC, Veeva would still maintain its commitment to producing returns for shareholders.¹⁶ Faddis said:

We were clear with investors that this wasn't changing any of our long-term projections. We've told investors that our 2025 financial targets, including reaching \$3 billion in revenue, were not changing. That was important to them.

Wallach noted:

I think having this listening phase was really demonstrating that we care. We weren't just going to push this [PBC conversion] through, even though Peter, Gordon, and I had the votes to do so. What we did was on purpose—this was deliberate—to invite people to be part of the process.

Tim Youmans, the North American Lead of the investor manager group, Federated Hermes, added:

Leadership could have done this whole conversion by themselves without any consultation with shareholders. But the CEO and chair and the Board of Veeva wanted the minority shareholders to support this. I think they talked to their top 20 shareholders, in addition to us.

December 2020: Calling the Special Shareholders Meeting and Proxy Statement. On December 4, 2020, Veeva called for a special shareholders meeting on January 15, 2021, to approve an amendment to its articles of incorporation allowing for the PBC conversion and the accompanying social benefit. In his letter to shareholders in the special proxy statement, Gassner wrote about the company's critical role with its customers:

As we have grown and our customer relationships have deepened, we have become increasingly important to the life sciences industry’s ability to improve health and extend lives. Looking

¹⁶ Veeva Systems, 2021 Special Meeting Proxy Statement, U.S. Securities and Exchange Commission, December 4, 2020.

ahead, Veeva has the potential to become essential to the process of developing medicines and cures and bringing them to patients. Society's interest in the success and sustainability of this process is clear. Our vision is not sustainable over the long term if it is only about financial returns.¹⁷

The special proxy for the special shareholders meeting further highlighted the importance of helping life sciences improve the lives of its patients, even if there was a short-term cost in doing so (see **Exhibit 12**). The pros and cons (see below) of becoming a PBC; and the differences between a traditional Delaware Corporation and a Delaware Public Benefit Corporation (**Exhibit 13**):

Pros

Attract and retain best employees
Continuation of existing shareholders rights
Appeal to sustainability-focused investors
Improved relationships with regulators
Potential beneficial impact on long-term financial results
Improved corporate reputation

Cons

Potential lawsuits in not balancing the interest of shareholders and stakeholders, if certain ownership thresholds are met
Additional expense and headcount for PBC reporting

January 2021: The Shareholder Vote. On January 13, 2021, more than 99% of the voting shareholders approved the PBC conversion. The vote to approve was not as surprising as the overwhelming majority. Until the day of the special shareholder meeting, it was unknown how some of the institutional investors might vote. "It is important to note that this does not change how we operate the company today and it does not change what you all do. It does change the legal duties of our Board to balance the interests of all stakeholders and align our public benefit purpose going forward," wrote Gassner in an internal email (**Exhibit 14**) to the Veeva team immediately after the vote.

Veeva Systems: Looking Ahead

Significance. In addition to Veeva being the first, and largest, public company to convert to a PBC, Youmans observed:

This is all about leadership. Veeva stated in their disclosures that they want to be first [as a PBC] because they feel that helps them win in the market for talent. Which then helps them in the market for customers. And going first shows tremendous leadership. They had a huge advantage, in that they were very confident in the vote outcome because a small group held a supermajority of the voting shares, but they actually treated it as if they didn't, and really did a great job of getting virtually all of the minority investors on board. I mean, that is a roadmap for success in corporate governance in whatever kind of major change a company wants to make. That is the way to do it.

And again, it's really about leadership—Board leadership and CEO leadership. It takes a lot of courage. This is a Silicon Valley, California-based tech company. That area, that sector, that geography is the epicenter of controlled companies—founders having voting control that do not do things that are shareholder friendly, that do not reach out to shareholders, and that do not

¹⁷ Ibid.

provide increased accountability. Remember, at the same time, [Veeva] is declassifying [their Class B shares]. That process is already underway, and the CEO elected to get rid of his super majority votes over a period of time. Tech companies just don't do this. This is leadership.

Preserving the Culture, Attracting New Talent and Working with Regulators

Laura Moran, who recently joined Veeva as president of its U.S. sales operations in January 2021, also observed that with the PBC status, there's been an impact with employees, and in working with regulators. Moran said:

Being a public benefit corporation is not only resonating with prospective employees, but also with our current employees, who are seeking to do meaningful work. We're also seeing that it improves our relationships with our regulators, as they realize that we share a stated common purpose of serving the public.

Gassner noted:

We always lived by our values. We always operated by our values. I've been very proud of employees for doing the work that way. But as we grow and as we look ahead to the decades to come, it's important to write things down and to formalize them in your articles of incorporation for a couple of reasons. One, when you write them down, it's a better way to communicate efficiently to all of your employees and all of your customers. It also sets the tone and the legal obligations when we bring new leadership into the company. It's not just my opinion anymore. It's the rules of the road.

Conclusion

Months after the vote approving conversion to the PBC, Veeva noted in its regular 2021 proxy statement to shareholders about its benefit purpose—after a most successful 2020 fiscal year, when the company reached \$1.45 billion in sales revenue. (**Exhibit 15**):

“Our public benefit purpose, as reflected in our certificate of incorporation, is “to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate.” We believe that operating as a PBC reflects our core values—Do the Right Thing, Customer Success, Employee Success, and Speed—and helps us maintain alignment with the principal industry we serve, life sciences, and its broad goal to improve health and extend lives. We also consider employees one of our key stakeholder groups whose interest we have committed to consider in our decision making. We believe our PBC purpose and commitment to consider the interests of employee stakeholders will enhance our relationships with valuable employees and job candidates, thus enabling us to better support our customers and drive results for investors.”¹⁸

A dedicated individual was hired to work with the team on the measuring, reporting, and setting the objectives for the PBC. Said Faddis: “[You need] the resources to make sure you're doing it right.” Mac Cormac reflected:

¹⁸ Veeva Systems, 2020 10-K report, U.S. Securities and Exchange Commission.

While there is a lot of momentum for the PBC structure, it is still a relatively new and uncharted path. There is not a long history of market performance for PBCs. There is no public litigation involving PBCs and therefore no clear guidance on how boards and management will weigh any conflicts when or if they arise between the public benefit and economic returns.

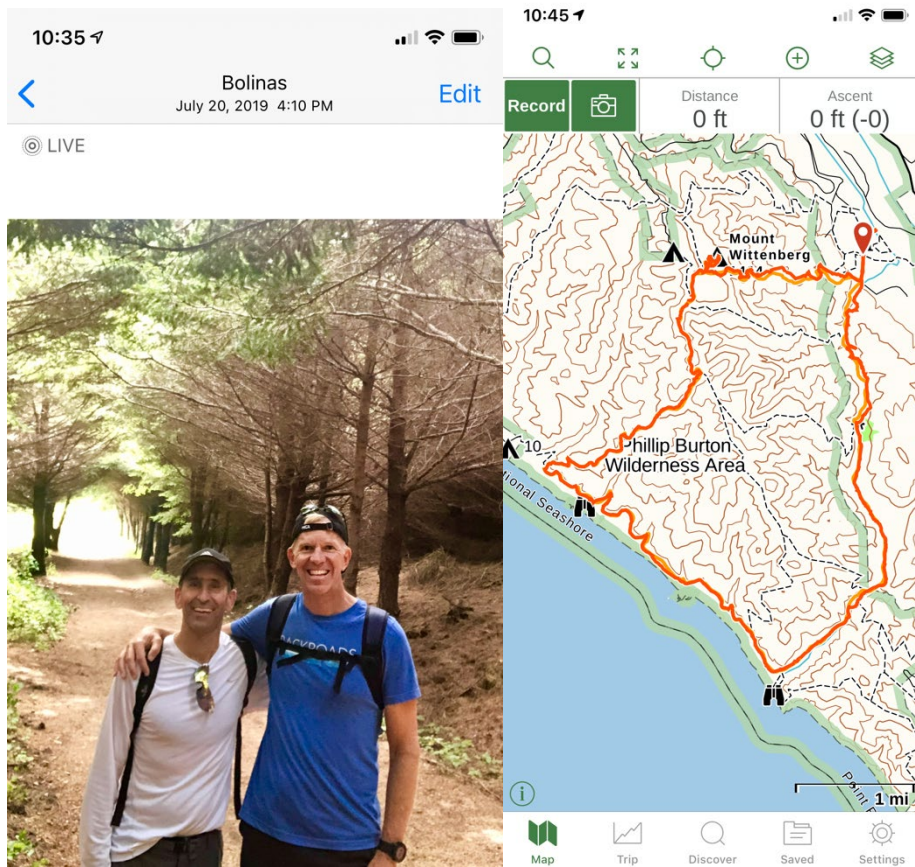
Gassner added:

When you're thinking about being a public benefit corporation, you're balancing multiple stakeholders, not just your shareholders. Yes, it's a more complex equation. But I've always felt that we want to embrace that complexity. We want to do the right thing, not just the easy thing.

Another journey was just beginning.

Case Discussion Questions

1. Why does Veeva becoming a PBC matter?
2. If you are a CEO considering converting your company to be a PBC, what are the lessons learned from Veeva's journey?
3. What are Veeva's benefits in becoming a PBC? Drawbacks?
4. Why do you think an overwhelming majority of the voting shareholders approved the conversion to a PBC?

Exhibit 1 The Hike, July 20, 2019

Source: Gordon Ritter. Left photo: Peter Gassner (L); Gordon Ritter (R).

Exhibit 2 Veeva Systems and PBC timelines (2007-2021)

2007 Veeva incorporated
2008 B-Labs formed
2010 Maryland becomes the first state to allow for PBCs
2011 California allows for PBCs
2013 Veeva IPO
2013 Delaware allows for PBCs with 90% of shareholder approval
2015 Delaware allows for PBCs with 2/3 of shareholder approval
2018 Gassner thinks about pursuing PBC
2019 Gassner and Ritter discuss starting process toward PBC
2019 Veeva presents PBC conversion idea to the Board
2020 Delaware allows PBC conversions with simple 50%+ majority of the shareholders' vote
2020 Veeva announces it is looking into a PBC Conversion
2021 Veeva shareholders approve PBC

Key: Veeva Milestones (in Black); General PBC legal milestones (in Red)

Exhibit 3 Founder's Letter from Peter Gassner in Veeva Systems S-1 (October 2013)**LETTER FROM OUR CHIEF EXECUTIVE OFFICER****Introduction**

The time has come for Veeva to be a public company. With that will come increased visibility as more people become involved with Veeva. As we enter this next phase, I'd like to take a moment to share what we're all about. I hope this will help customers, potential customers, employees, partners and investors understand more about what makes Veeva unique.

Industry Cloud For Life Sciences

Veeva delivers industry-specific cloud-based solutions—including data, software, and services—to the global life sciences industry. We don't develop horizontal applications like payroll, accounting, or inventory control that are largely the same across industries.

Our vision is to help our customers with their most important industry-specific processes. These strategic offerings address the life sciences industry's most pressing needs: speeding time-to-market for new products, maximizing revenue and profitability, and remaining in compliance with regulatory requirements. Our vision has always been that our industry-specific applications should come with industry-specific data and that the use of our applications may generate unique data that could help customers make better business decisions.

Our vision is to be relevant to the CEOs of the companies we serve by automating their industry-specific processes in the cloud. Some call this approach "industry cloud." We feel that the industry cloud concept is in its early days. It is an exciting time.

Customer Success

Customer success is our number one value. Veeva is nothing without its customers.

The value of customer success helps us make decisions at all levels of the company. We take it personally, and we try to do right by our customers. We are not perfect. We sometimes make mistakes, but we work hard to remedy them quickly. We live the value of customer success.

We feel that if customers are successful they will recommend our products to others in the industry. Customer success is the goal every day. In our view, revenue and profit are after-the-fact financial measurements of customer success.

Employee Success

Employee success is our number two value. Veeva is nothing without its employees.

I hope if someone works at Veeva for many years, they will look back and think "Veeva has been a great place to work." I hope employees work with people they enjoy, are energized by happy customers, learn a lot, work hard, contribute highly, and advance their careers. By contributing highly, employees should feel good about themselves and be well compensated.

To promote employee success, we try to hire people with the right values and skills and put them in roles where they can contribute and grow. We try to promote from within when possible. We try to have only a limited number of corporate rules, so that decisions can be made in smaller groups by people who understand their areas deeply. We will sacrifice some efficiency to give our employees autonomy and ownership.

This focus on employee success has contributed to our growth and high employee retention rate.

Long-Term Thinking

Nothing of significance was built in the short-term. We are focused on building a lasting company. A company that delivers significant value to its customers, employees, partners and investors. A company in which we can all take pride. We admire organizations like Amazon, Google, IBM and GE that are guided by the long-term. If we have to trade off short-term financial gains for long-term customer success and employee success, we will do that.

Looking Forward

I am often asked whether Veeva will make products for other industries. We currently have no plans to enter other industries. We think in many ways we are just getting started with our industry cloud for life sciences.

However, at some point it is possible that Veeva would build other industry cloud solutions. We know what type of people it takes and how to get it started. But for now, we are focused on increasing the value of our industry cloud for life sciences.

Thank you to our customers, employees, partners and investors for our success so far. I look forward to our future together.

Sincerely,



Peter Gassner
Chief Executive Officer
Veeva Systems Inc.

Source: Veeva Systems, S-1 filing, U.S. Securities and Exchange Commission, October 2013

Exhibit 4 Executing in the Veeva Way

Executing in the Veeva Way Fundamental to our business model is what we call **The Veeva Way**. The Veeva Way is key to our disciplined approach to achieve our goal of long-term leadership in each of the product markets we serve.

We start with a focus on addressing **clear and correct target markets**. Those are large product markets in which the problem being addressed by our solution is strategic to the businesses of our customers and in which we believe Veeva can become the leader over the long-term if we execute well. We embrace the concept of **running to complexity**, an approach in which we strive to solve the most important and challenging information technology problems our customers face. We also believe that addressing such problems has the potential for broader societal benefits, for instance, by making the therapeutic development process more efficient.

We focus on delivering **product excellence and innovation**. Our product development process begins with assembling and investing in strong product teams focused on building deep, best-in-class software and data solutions for every product market we serve. Through innovative cloud technology, we also aim to eliminate legacy systems, manual processes, and application silos by delivering unified suites of applications and data that support end-to-end business processes.

We strive to forge strong relationships with our customers and focus on customer success. When we enter a new product market, we begin with a small number of early adopter customers. We focus on learning from these early adopters and ensuring that they are successful with our products. Once successful, our early adopters have developed into vocal advocates, enabling our **reference selling** model.

Finally, our goal is to **drive strong growth and profitability** through highly efficient, targeted sales and marketing, disciplined product planning, and profitable professional services. Our strong growth and profitability have allowed us to make ongoing investments for continued product innovation in our existing markets and provides us with the resources to invest in new market opportunities.

Source: Veeva Systems. 2021 annual 10-K. U.S. Securities and Exchange Commission

Exhibit 5 Veeva Systems Vision Statement, Core Values and Key Locations Around the World

Vision
Building the Industry Cloud for Life Sciences

Values
Do the Right Thing
Customer Success
Employee Success
Speed




Source: Veeva Systems Photo Credit (bottom): Dickson Louie

Exhibit 6 Veeva Systems selected financial history (2010 to 2021)

Fiscal Year	Sales (\$millions)	Operating Income (\$millions)	Operating Margin	Employees	Life Science Customers
2010	\$13	\$1	6.7%	—	—
2011	\$29	\$5	17.2%	—	51
2012	\$61	\$7	11.4%	—	95
2013	\$130	\$30	23.1%	593	134
2014	\$210	\$39	18.5%	725	198
2015	\$313	\$70	22.3%	951	276
2016	\$409	\$79	19.3%	1,474	400
2017	\$551*	\$121*	22.0%	1,794	517
2018	\$691*	\$158*	22.8%	2,171	625
2019	\$862	\$223	25.8%	2,553	719
2020	\$1,104	\$286	25.9%	3,501	861
2021	\$1,465	\$378	25.8%	4,506	993

Note: Veeva Systems operates on a February 1 to January 31 fiscal year. Fiscal Years 2017 and 2018 as adjusted.

Source: Veeva annual 10-K reports, U.S. Securities and Exchange Commission, Macrotrends.net

Exhibit 7 Veeva Systems products (March 2021)

	Announced
MyVeeva	5/19/2020
Veeva Vault Site Connect	5/19/2020
Veeva Vault Product Surveillance	4/29/2020
Veeva Vault Signal	4/29/2020
Veeva Data Cloud	3/26/2020
Veeva Vault Payments	1/8/2020
SiteVault Enterprise	10/3/2019
SiteVault Free	10/3/2019
Veeva Vault Safety.AI	8/13/2019
Vault Safety	10/3/2017
Veeva Andi	5/14/2019
Veeva Vault Auto Claims Linking	5/14/2019
Veeva CRM Approved Notes	5/14/2019
Valut Station Manager	4/2/2019
Veeva Vault Digital Publishing	12/4/2018
SiteDocs	10/11/2018
Training	5/30/2018
CDMS	9/17/2018
Nitro	5/15/2018
Submissions Publishing	2/6/2017
eSource	10/13/2016
Engage Webinar	6/9/2016
MyInsights	5/8/2017
EDC	10/13/2016
CTMS	6/22/2016
SiteExchange	4/19/2017
Network Product Master	5/18/2016
Engage Meeting	6/9/2016
QMS	5/26/2016
OLS	5/26/2016
Submissions Archive / Registrations	5/11/2015
Study Start Up	11/2/2015
Events Management	6/10/2015
Align	5/20/2014
KOL	4/15/2015
OpenData	3/24/2015
CRM CoBrowse	11/18/2014
Engage	3/17/2014
Submissions	2013
Approved Email	2/14/2013
Network Customer Master	13-Jun
eTMF	9/12/2012
Vault generally	9/12/2012
Medcomms	9/12/2012
QualityDocs	9/12/2012
CLM	5/7/2013
Promomats	10/18/2011

Source: Veeva Systems

Exhibit 8 Veeva email (September 16, 2020)

From: **Peter Gassner** <peter.gassner@veeva.com>
 Date: Wed, Sep 16, 2020 at 3:14 PM
 Subject: Exploring Conversion to a Public Benefit Corporation
 To: Peter Gassner <peter.gassner@veeva.com>

Team,

I am very excited to share that we made a major [announcement](#) today that I view as very positive for Veeva, our shareholders, customers, and employees.

We are exploring becoming a Public Benefit Corporation (PBC) and as a first step are seeking input from shareholders. Depending on the feedback we receive in the coming weeks, we may call for a shareholder vote on becoming a PBC.

PBC is something that the Veeva Board of Directors and I have been discussing for quite some time now and I am really happy to be able to share our thinking with the whole Veeva team.

Background
 Traditional U.S. corporations are only legally required to consider how their actions advance the financial interest of shareholders. This has not felt right to me for quite some time since we also consider and feel a responsibility to others, including customers and employees.

PBCs are different, they are still for-profit companies, but have a duty to consider those affected by the company's conduct—including customers, employees, and the community—in addition to shareholders.

PBCs also adopt a public benefit purpose. For Veeva that purpose would be "to provide products and services to make the industries we serve more productive and create high quality employment opportunities."

Why
 Becoming a PBC aligns our legal charter with our values and how we operate the company and ensures that continues well into the future.

We see a conversion to a PBC as beneficial to our long-term financial results. It can give customers even greater confidence that our interests are not only well aligned today but will remain that way. We also believe a PBC structure will help us attract more talented people to Veeva.

We have always believed social and economic benefits go hand in hand and have operated with the long-term view that doing the right thing for customers, employees, and our communities allows us to deliver the best results for shareholders as well.

Leading
 Veeva would be the first large public company to become a PBC and the first public company to convert to a PBC. Given our values and vision to become the most strategic partner to the life sciences industry in their mission to improve and extend life, PBC seems to be the right path for Veeva. Other companies may choose to become PBCs over time depending upon their specific situation.

Resources and Feedback
 If you would like to learn more, [Share](#) and our [website](#) are good places to start. If a customer asks about the announcement, you can point them to our [website](#). If you have feedback or further questions, just reach out to your senior leader, myself, or anyone on the leadership team.

External Resources
 Here are some additional resources for those interested:
[State of Delaware Definition of a PBC](#)
[Harvard Law: Making it Easier for Directors to "Do the Right Thing"?](#)
[Harvard Business Review: 3 Ways to Put Your Corporate Purpose into Action](#)
[Columbia Law: The Corporate Form for Social Good](#)
[Columbia Law: Publicly Traded PBC Discussion](#)

I am excited about this announcement and hope you are as well. Thank you all for your contributions, teamwork, and living our values, which have brought us to where we are today and will carry us into the future.

Peter

--
 Peter Gassner
 CEO
 Veeva Systems

Source: Veeva Systems, internal e-mail to staff.

Exhibit 9 Veeva press release (September 16, 2020)


The screenshot shows the Veeva Systems website. The header includes the Veeva logo, navigation links for Products, Services, Customers, Resources, Events, and About Veeva, and a search bar. A top navigation bar contains links for Contact Sales, Support Center, Regions, and Industries. The main banner features the headline "A Leader in Cloud-Based Software for the Global Life Sciences Industry" with the tagline "Innovation. Product excellence. Customer success." Below the banner is a navigation bar with links for Investor Overview, News & Events, Stock Information, Financials, Governance, and Resources. A prominent orange button labeled "Download this Press Release" is visible. The press release text below the button is as follows:

September 16, 2020

Veeva Forms Board Committee to Explore Becoming a Public Benefit Corporation

PLEASANTON, Calif.-(BUSINESS WIRE)-- **Veeva Systems** (NYSE: VEEV) today announced it has formed a board committee to explore becoming a public benefit corporation (PBC). The Committee will seek input from shareholders, customers, and other stakeholders on the possibility of becoming a PBC before taking any further action.

A PBC is a for-profit corporation that has also adopted a public benefit purpose. Unlike a traditional corporation whose only legal duty is to maximize shareholder value, PBCs consider their public benefit purpose and the interests of those materially affected by the corporation's conduct—including customers, employees, and the community—in addition to shareholders' interests.

In becoming a PBC, Veeva's certificate of incorporation would be updated to include a public benefit purpose of helping make the industries it serves more productive and creating high-quality employment opportunities. This public benefit purpose aligns with Veeva's focus on supporting life sciences companies in their mission to improve and extend life by helping them more effectively and efficiently develop and get the right treatments to the right patients.

Veeva would pursue this public benefit purpose in addition to its existing goal of increasing shareholder value. As a Delaware PBC, the company would operate under the same management structure and corporate and tax laws it does today and with the same commitment to strong growth and profitability.

"We believe social and economic benefits go hand in hand and have always operated with the long-term view that doing the right thing for our customers, employees, and communities ultimately allows us to deliver the best results for investors," said Peter Gassner, founder and CEO of Veeva Systems.

Veeva joins a growing number of leaders who recognize that corporations can build greater long-term value when considering a broader set of stakeholders, including shareholders, customers, employees, and the communities they serve. The Delaware PBC structure was created in 2013, and to date more than 2,000 companies have incorporated as Delaware PBCs. Veeva would be the first Russell 1000 company to become a PBC, which follows Veeva's history of leading in areas that will advance the company, the industries it serves, and its stakeholders over the long-term.

Veeva believes that working to make its customers more productive and growing its employee base by attracting the best talent can result in greater shareholder value over the long-term and reiterates its 2025 targets issued October 2, 2019.

Today's announcement is intended to open a dialogue about the potential for Veeva to become a PBC. The company will now seek input through a proactive stakeholder outreach program.

Veeva is also planning to declassify its board of directors and implement a majority voting standard for future director elections and is also seeking shareholder feedback on these proposed changes.

For more information, please visit [Veeva's PBC information page](#).

About Veeva Systems

Source: Veeva Systems, press release, September 16, 2021.

Exhibit 10 Letter from Peter Gassner to Veeva Systems shareholders in 2021 special meeting proxy (December 4, 2020)



December 4, 2020

Traveler, there is no path. Paths are made by walking.

—Antonio Machado

Dear fellow shareholders,

Since founding Veeva Systems 13 years ago, we have been making our own path. Back then, we had a vision that industry-specific cloud-based solutions for life sciences could be transformative. It has been, and we are still pursuing our vision of building the industry cloud for life sciences, guided by our core values of do the right thing, customer success, employee success, and speed.

There are two proposals in this special proxy. One is significant and unique and the other less so.

First, we propose to undo our classified board so all members of our board of directors stand for election annually beginning in 2021. A declassified board is common practice for mature public companies and we believe it provides a better governance structure for where we are today.

We are also asking for your support to amend our certificate of incorporation to become a Delaware Public Benefit Corporation (PBC). This means we would formally adopt a public benefit purpose and be legally responsible to balance the interests of multiple stakeholders—including our shareholders, customers, employees, partners, and the communities in which we operate—rather than considering only the financial interests of our shareholders.

We believe Veeva should demonstrate leadership and innovation not only in our products and services, but in everything we do. We are proud to be the first large public company in the U.S. to propose a PBC conversion to its shareholders.

Why us and why now? As we have grown and as our customer relationships have deepened, we have become increasingly important to the life sciences industry's ability to improve health and extend lives. Looking ahead, Veeva has the potential to become essential to the process of developing medicines and cures and bringing them to patients. Society's interest in the success and sustainability of this process is clear. Our vision is not sustainable over the long term if it is only about financial returns.

We have also always believed that our deep commitment to customers, employees, and our core value of 'do the right thing' enhances our ability to create shareholder value. I outlined these operating principles in my 2013 Founders Letter included with our IPO registration statement. A PBC conversion is a way to align our certificate of incorporation to the values-based way we operate the company. It makes clear to customers that our purposes will remain aligned. And it also demonstrates to our employees and candidates that Veeva is a place where they can feel good about giving their best.

As Veeva's founder and largest shareholder I have a personal and reputational interest in focusing on *how* we operate as well as on *how well* we operate. Our board of directors and I believe that a PBC conversion will enhance our long-term financial sustainability and our ability to create value for shareholders. We ask for your vote to create this new path.

Sincerely,

Peter P. Gassner
Chief Executive Officer and Director

Source: Veeva Systems, proxy for special January 2021 shareholders meeting, December 4, 2020

Exhibit 11 Proposed PBC amendment in 2021 special meeting proxy (December 4, 2020)**ANNEX A
PROPOSED PBC CERTIFICATE**

The following is the proposed PBC Certificate as described in Proposal One. The text in the heading of our certificate of incorporation and in Article THIRD indicated by bolded underline will be added.

**CERTIFICATE OF AMENDMENT TO
THE RESTATED CERTIFICATE OF INCORPORATION OF
VEEVA SYSTEMS INC.**

Veeva Systems Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The Corporation was originally incorporated under the name of Rags2Riches, Inc., and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on January 12, 2007.
2. This Certificate of Amendment to the Restated Certificate of Incorporation has been duly adopted by the Corporation in accordance with Section 242 of the Delaware General Corporation Law.
3. The heading of the Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

**"RESTATED CERTIFICATE OF INCORPORATION
OF
VEEVA SYSTEMS INC.
(A PUBLIC BENEFIT CORPORATION)"**

4. Article THIRD of the Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

"THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware or any applicable successor act thereto, as the same may be amended from time to time (the "DGCL").

The Corporation shall be a public benefit corporation, as contemplated by subchapter XV of the DGCL, and is to be managed in a manner that balances our stockholders' pecuniary (financial) interests, the best interests of those materially affected by the corporation's conduct (including customers, employees, partners, and the communities in which we operate), and the public benefits identified in this certificate of incorporation. We believe this corporate structure reflects our guiding principle, "do the right thing."

The specific public benefits to be promoted by the Corporation are to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate."

5. This Certificate of Amendment to the Restated Certificate of Incorporation shall be effective as of A.M. Eastern Time on , 202 .

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to the Restated Certificate of Incorporation as of this day of , 202 .

By:
Name: Josh Faddis
Title: Corporate Secretary

Source: Veeva Systems, proxy for special January 2021 shareholders meeting, December 4, 2020

Exhibit 12 Importance of Serving Customers from special meeting proxy (December 4, 2020)

Our customers. The broad goal of the principal industry we serve—life sciences—is to improve health and extend lives. Helping the life sciences industry be more productive in pursuit of that goal is a natural public benefit that has never been more important.

As our product and service offerings have expanded, Veeva has become a trusted technology partner for the most important functions of life sciences companies, including clinical trial management, regulatory submissions, pharmacovigilance (drug safety), manufacturing quality processes, data, and communications between life sciences companies and doctors. As our customers increasingly rely on us to help them get the right treatments to patients more efficiently and effectively, we have become operationally significant to our customers and also a meaningful part of the healthcare ecosystem that is critical to society.

Long-term purpose alignment with our customers and the industry we serve is important as we ask our customers to make even deeper commitments to Veeva for technology systems they may use for decades. We believe our proposed public benefit purpose (and our PBC commitment to consider the interest of customer stakeholders) solidifies this alignment and can give our customers increased confidence to invest in Veeva’s technology solutions, which has the potential to make our revenue base more durable and enhance our ability to invest in innovation for our customers. We believe these customer benefits translate to better shareholder returns over the long term.

We may at times find it appropriate to pursue initiatives that are consistent with our goal to make the life sciences industry more productive that do not have immediate or short-term financial benefits to our shareholders. For instance, during the COVID-19 pandemic, we offered our solution for remote meetings with doctors free of charge through the end of calendar year 2020. While this may result in marginally lower short-term revenues, we believe that it will result in long-term financial benefits as customers gain increased confidence in our solutions and increase their use of our fee-based products to address the changing constraints and preferences for communicating medical information to doctors. Similar or more severe industry disruptions may happen in the future. We believe our ability to respond to them with speed in a way that supports our commitment to customers and the life sciences industry would be enhanced as a PBC.

Source: Veeva Systems, proxy for special January 2021 shareholders meeting, December 4, 2020

Exhibit 13 Differences between Delaware corporation and Delaware Public Corporation

The following is a summary of the material differences between traditional Delaware corporations not subject to subchapter XV of the DGCL and Delaware PBCs to the extent subchapter XV of the DGCL imposes additional or different requirements than the DGCL generally. This summary is subject to the complete text of subchapter XV of the DGCL, which we encourage you to read carefully.

Provision	Traditional Delaware Corporations	Delaware PBCs	Additional Practical Differences
General	Subject in all respects to the provisions of the DGCL.	Same as a traditional Delaware corporation, except to the extent subchapter XV imposes additional or different requirements, in which case such requirements shall apply.	Not applicable.
Purpose	Usually incorporated as a for-profit corporation that may engage in any lawful act or activity for which corporations may be organized and incorporated under the DGCL.	Same as a traditional Delaware corporation; in addition, a Delaware PBC is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. Accordingly, a Delaware PBC shall: <ul style="list-style-type: none"> Identify within its statement of business or purpose one or more specific "public benefits," i.e., a positive effect (or reduction of negative effects) on one or more categories of persons, entities, communities or interests (other than shareholders in their capacities as shareholders), to be promoted by the corporation; and State within its heading that it is a PBC. 	A PBC may be managed both to consider the financial interests of its shareholders as well as to promote its public benefits and operate in a responsible and sustainable manner.
Duties of Directors	Manage in the best interests of the corporation and its shareholders.	Manage in a manner that balances the pecuniary interests of the shareholders, the best interests of those materially affected by the corporation's conduct, and the specific public benefit or public benefits identified in its certificate of incorporation.	Directors of a traditional Delaware corporation may ordinarily take actions that they believe are not in the best interests of the shareholders in the short-term, at least if they believe that the action is in the long-term best interests of the corporation. The balancing requirement for directors of a PBC might more readily permit them, but does not require them, to take actions that shareholders consider not to be in their financial best interest.
Director Liability for Public Benefit Purpose	Not applicable.	A director of a PBC shall not, by virtue of the public benefit provisions of the DGCL, have any duty to any person on account of any interest of such person in the public benefit or public benefits identified in the certificate of incorporation or on account of any interest materially affected by the corporation's conduct and, with respect to a decision implicating the balance requirement described in "Duties of Directors" above, will be deemed to satisfy such director's fiduciary duties to shareholders and the corporation if such director's decision is both informed and disinterested and not such that no person of ordinary, sound judgment would approve.	No practical difference; directors of traditional Delaware corporations and PBCs must both act with a duty of care and duty of loyalty.
Conflicts of Interest for Public Benefit Duties of Directors	Not applicable.	A director's ownership of or other interest in the stock of the PBC shall not alone create a conflict of interest on the part of the director with respect to the director's decision implicating the balancing requirement described in "Duties of Directors" above, except to the extent that such ownership or interest would create a conflict of interest if the corporation were not a PBC. In the absence of a conflict of interest, no failure to satisfy that balancing requirement shall, for the purposes of §102(b)(7) or §145 of the DGCL, constitute an act or omission not in good faith, or a breach of the duty of loyalty, unless the certificate of incorporation so provides.	No practical difference; the same DGCL requirements regarding officer and director conflicts of interest of a traditional Delaware corporation are applicable to a PBC.

Provision	Traditional Delaware Corporations	Delaware PBCs	Additional Practical Differences
Suits to Enforce Public Benefit Duties of Directors	Not applicable.	Any action to enforce the balancing requirement described in "Duties of Directors" above, including any individual, derivative or any other type of action, may not be brought unless the plaintiffs in such action own individually or collectively, as of the date of instituting such action, at least 2% of the corporation's outstanding shares or, in the case of a corporation with shares listed on a national securities exchange, the lesser of such percentage or shares of the corporation with a market value of at least \$2,000,000 as of the date the action is instituted. The provisions of subchapter XV do not relieve the plaintiffs from complying with any other conditions applicable to filing a derivative action including §327 of the DGCL and any rules of the court in which the action is filed.	The enforcement suit structure available to shareholders of a Delaware PBC that have met the threshold requirements may provide for additional circumstances in which a Delaware PBC is the subject of litigation related to a particular balancing decision made by the Board.
Public Benefit Notices	Not applicable.	A PBC shall include in every notice of a meeting of shareholders a statement to the effect that it is a PBC formed pursuant to subchapter XV.	A PBC's notice of meeting of shareholders must include a statement that it is a PBC.
Biennial PBC Reporting	Not applicable.	A PBC shall no less than biennially provide its shareholders with a statement as to the corporation's promotion of the public benefit or public benefits identified in the certificate of incorporation and of the best interests of those materially affected by the corporation's conduct. The statement shall include items specified in subchapter XV.	The shareholders of a PBC will have access to regular reports highlighting certain aspects of the PBC's conduct that might not be provided to shareholders of a traditional Delaware corporation.
Common law fiduciary duties in transactions for corporate control	In the context of certain transactions implicating a sale of control of a company, Delaware common law may impose on directors of a traditional corporation a duty to maximize short-term shareholder value.	In response to all sale transactions, the directors of a PBC are required to adhere to the balancing requirement described in "Duties of Directors" above.	In a potential sale of control transaction of a PBC, the board of directors would consider and balance factors in addition to maximizing short-term shareholder value. In the context of a hostile bid for a PBC, the board of directors could choose to reject such a bid in circumstances where the directors of a traditional corporation might be compelled by their fiduciary duties to accept such an offer. Consequently, the shareholders of a PBC may not as easily realize their investment through a sale of control transaction.

Source: Veeva Systems, proxy for special January 2021 shareholders meeting, December 4, 2020 (pages 6 and 7)

Exhibit 14 Veeva e-mail (January 13, 2021)

From: Peter Gassner <peter.gassner@veeva.com>
Date: Wed, Jan 13, 2021 at 1:12 PM
Subject: Converting to a Public Benefit Corporation (PBC)
To: Peter Gassner <peter.gassner@veeva.com>

Team,

Since our founding 13 years ago, we have been charting our own path with a vision that industry-specific software, data, and services could be transformative. And because of your skill, effort, and teamwork, we have proven this.

In pursuing that vision, we have been guided by our core values: do the right thing, customer success, employee success, and speed. Yet, our articles of incorporation only legally bound us to maximizing shareholder returns.

I am pleased to share that today our proposal to become a Public Benefit Corporation (PBC) passed at our shareholder meeting. Veeva will become a PBC on February 1. The vote was a landslide with 99% percent of votes cast in support. The full press release is [here](#).

We are the first public company to make this change and will be the largest PBC.

Our public benefit purpose will be "to help make the industries we serve more productive and create high-quality employment opportunities in our communities." This purpose is with Veeva for the long-term and can only be changed by a majority shareholder vote.

It is important to know that this does not change how we operate the company today and it will not change what you all do. It does change the legal duties of our board to balance the interests of all stakeholders and to align to our public benefit purpose going forward.

As Veeva has grown and our customer relationships have deepened, we've become increasingly important to the life sciences industry's ability to improve health and wellbeing. Our PBC purpose makes it clear to the industry that we will remain aligned for decades to come. It also reinforces our values to talented people wanting to join Veeva. Veeva is a place where they can feel good about giving their best.

I am very proud of you, the Veeva team, as we work to have a positive, lasting impact on people around the world. Thank you for your continued hard work and commitment to our customers and each other.

Thank you,
Peter

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Peter Gassner
CEO
Veeva Systems

Source: Veeva Systems, internal e-mail to staff.

Exhibit 15 Veeva 2021 annual 10-K statement**Our Conversion to a PBC**

On February 1, 2021, after overwhelming approval by our voting shareholders, we became the first public company to convert to a Delaware PBC. A PBC is a for-profit company operating under subchapter XV of the General Corporation Law of the State of Delaware (i) that has adopted a public benefit purpose intended to provide benefits beyond just shareholder financial returns, and (ii) whose directors have a fiduciary duty to balance the financial interests of shareholders, the best interests of other stakeholders materially affected by the company's conduct (which we believe includes customers, employees, partners, and the communities in which we operate), and the pursuit of the company's public benefit purpose. Our public benefit purpose, as reflected in our certificate of incorporation, is "to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate." We believe that operating as a PBC reflects our core values—Do the Right Thing, Customer Success, Employee Success, and Speed—and helps us maintain alignment with the principal industry we serve, life sciences, and its broad goal to improve health and extend lives. We also consider employees one of our key stakeholder groups whose interest we have committed to take into account in our decision making. We believe our PBC purpose and commitment to consider the interests of employee stakeholders will enhance our relationships with valuable employees and job candidates, thus enabling us to better support our customers and drive results for investors.

Our Board is responsible for setting the objectives and standards by which we will measure and report performance against our PBC purpose. We plan to publish a PBC report annually.

Source: Veeva Systems. 2021 annual 10-K, U.S. Securities and Exchange Commission