

B Corporation: Legal pathway

The table below is a step by step guide for an organisation seeking to amend their constitutional documents to include the B Corp legal language (the "Legal Test") for the purpose of certifying as a B Corp. All B Corps are required to amend their constitutional documents to pass the Legal Test.

We appreciate that this can be a time-consuming process, particularly for large organisations and we have, therefore, developed a Term Sheet which includes a commitment to amend constitutional documents to include the Legal Test within one year of certifying as a B Corp. Organisations should take the time to consider the process and timetable (outlined below) required to amend their constitutional documents and ensure that this can be realistically achieved by the recertification date.

An organisation can certify as a B Corp with either an amended constitution or a signed Term Sheet. *Please note: the BIA (under the Impact Business Model section) awards a higher score to companies who have amended their constitution than those who have signed a Term Sheet.*

1.) Board members review Legal Test language and outline timetable for amendments

Board members to review Legal Test language at [\[Insert link\]](#) and consider how it fits with current constitutional documents (including shareholders agreement, if any)

Board members to discuss the process and timetable required for amendments to be made

- *Note: Check existing constitution for restrictions on amendments and any shareholders agreements for consents which may be required.*
- *Note: The Legal Test has been adapted for different legal forms. Ensure that you are using the right language for your organisation*

2.) Select "B Corp Champion" (to lead internal process) and engage with internal stakeholders

Board to circulate UK Legal Test language to internal stakeholders for review

B Corp Champion to feedback to Board

- *Note: We have found that this can be a time-consuming part of the process. Please factor in sufficient time for stakeholder review and management*
- *Note: B Corp Champion recommended for medium/large organisations only*
- *Consider the following internal stakeholders: Board members/Shareholders/Members. Legal Counsel. Audit Committee. Investment Committee. Risk Committee*

3.) Board approve final Legal Test language

Board to finalise Legal Test language. *Note B Lab (UK) expect the Legal Test language to be adopted as drafted, with only necessary consequential amendments. Any minor variations to the Legal Test language to be confirmed with B Lab (UK)*

Final Legal Test language approved at meeting of Board of Directors

Board to resolve to convene a shareholders general meeting or propose a written resolution (see step 4)

4.) Shareholder/Member special resolution to approve amendment to Articles of Association

75% shareholder special resolution is required to pass amendments to the constitution.

Either passed by way of written resolution or resolution at general meeting

- *Note: Refer to your Articles to take consideration of notice period for calling a general meeting (note the statutory notice period for a general meeting is 14 days (21 days for an AGM for a public company))*

5.) File documentation with Companies House

Documents to be filed with Companies House include Form CC04, amended articles of association and copy of the special resolution. Follow this link to file documents with Companies House - <https://www.gov.uk/file-changes-to-a-company-with-companies-house>

Note: Documents must be filed with Companies House within 15 days of passing resolution
