

THE COMPANIES ACT 2006

WRITTEN RECORD OF RESOLUTION OF THE MEMBERS OF  
SCOTTISH CATHOLIC INTERNATIONAL AID FUND


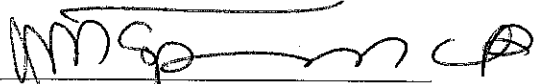
(Company number: SC197327)  
(Scottish charity number: SC012302)

We, the undersigned, being the company secretary of the above company, HEREBY NOTE THAT:

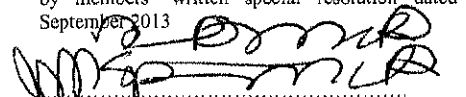
- a. the following resolution, which is to have effect as a special resolution of the company as indicated, was placed before the members of the company in the form of a written resolution on 13 September 2013 (the “**Circulation Date**”); and
- b. the requisite level of consent required to approve the resolution was obtained by the company on 14 September 2013 (the “**Approval Date**”) and therefore the resolution was duly passed by members of the company as a special resolution on that date.

**SPECIAL RESOLUTION**

THAT the regulations attached to this written resolution be adopted as the Company’s articles of association in substitution for, and to the exclusion of, the existing articles of association (including, for the avoidance of doubt, those provisions of the Company’s memorandum of association which are treated, under the Companies Act 2006, as provisions of the Company’s existing articles of association).

For and on behalf of J. McSparran and McCormick  
Company Secretary

  
For and on behalf of J. McSparran and McCormick,  
Company Secretary

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**  
**ARTICLES OF ASSOCIATION**  
**of**  
**SCOTTISH CATHOLIC INTERNATIONAL AID FUND**  
**(adopted by written special resolution dated 14 September 2013)**

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**Constitution of company**

- 1 The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of this company.

**Defined terms**

- 2 In these articles of association, unless the context requires otherwise:-

- 2.1 "Act" means the Companies Act 2006;
- 2.2 "charity" means a body which is either a "Scottish charity" within the meaning of section 13 of the Charities and Trustee Investment (Scotland) Act 2005 or a "charity" within the meaning of section 1 of

the Charities Act 2011, providing (in either case) that its objects are limited to charitable purposes;

- 2.3 “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
  - 2.4 “conflict of interest” includes a conflict of interest and duty, and a conflict of duty;
  - 2.5 “Conflict Situation” means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has or could have a direct or indirect interest that conflicts, or possibly might conflict, with the interests of the company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the company could take advantage of the property, information or opportunity);
  - 2.6 “electronic form” has the meaning given in section 1168 of the Act;
  - 2.7 “OSCR” means the Office of the Scottish Charity Regulator;
  - 2.8 “property” means any property, heritable or moveable, real or personal, wherever situated; and
  - 2.9 “subsidiary” has the meaning given in section 1159 of the Act.
- 3 Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

### **Objects**

- 4 The objects for which the company is established are for charitable purposes only and in particular:-
- 4.1 the relief of poverty throughout the world by the promotion of such works and development projects as are considered appropriate means of relieving poverty throughout the world;
  - 4.2 the advancement of education throughout the world;
  - 4.3 the relief and prevention of sickness, disease and physical or mental disability throughout the world;
  - 4.4 the relief and assistance of people in any part of the world who are victims of war or natural disaster;

- 4.5 the furtherance of such other charitable purposes of a similar nature anywhere in the world as the directors may consider appropriate from time to time.
- 5 The company's objects are restricted to those set out in article 4 (but subject to article 6).
- 6 The company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the company's objects in article 4; on any occasion when it does so, it must give notice to the registrar of companies and the amendment will not be effective until that notice is registered on the register of companies.

### **Powers**

- 7 In pursuance of those objects (but not otherwise) the company shall have the following powers:-
  - 7.1 To initiate, promote, conduct, participate in, co-ordinate, monitor and/or assist (whether financially or otherwise), operations, projects, initiatives and events of all kinds which further any of the objects of the company;
  - 7.2 To prepare, organise, support (financially and/or otherwise) participate in, and/or conduct, conferences, seminars and workshops, and educational and training events, courses, programmes and events of all kinds;
  - 7.3 To commission and/or conduct research, and to publish and promote the results of such research;
  - 7.4 To design, prepare, publish and/or distribute information packs, leaflets, books, newsletters, magazines, posters and other publications, audio and video recordings, multimedia products and display materials, and to create and maintain a website or websites;
  - 7.5 To provide information, advisory, support and/or consultancy services which further any of the objects of the company;
  - 7.6 To liaise with European, UK, Scottish and local government authorities and agencies, voluntary sector bodies and others, all with a view to maximising the effectiveness of the company in pursuing its objectives;
  - 7.7 To initiate, promote, conduct, participate in (whether via a wholly-owned subsidiary, a joint venture company or a limited liability partnership or otherwise), co-ordinate, monitor and/or assist (whether financially or otherwise), projects, initiatives and schemes of all kinds which further any of the objects of the company;
  - 7.8 To carry on any other activity which may be appropriately carried on in connection with any of the objects of the company;

- 7.9 To promote companies and/or other bodies whose activities may further one or more of the above objects or may generate income to support the activities of the company, acquire and hold shares, stocks, debentures and other interests in such companies and other bodies, and carry out in relation to any such company or other body which is a subsidiary of the company, all such functions as may be associated with a holding company;
- 7.10 To acquire and take over the whole or any part of the undertaking and liabilities of any body entitled to any property or rights suitable for any of the objects of the company;
- 7.11 To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the company's activities;
- 7.12 To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the company;
- 7.13 To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the company;
- 7.14 To borrow money, and to give security in support of any such borrowings by the company, in support of any obligations undertaken by the company or in support of any guarantee issued by the company;
- 7.15 To employ such staff as are considered appropriate for the proper conduct of the company's activities;
- 7.16 To engage such consultants and advisers as are considered appropriate from time to time;
- 7.17 To effect insurance of all kinds (which may include officers' liability insurance);
- 7.18 To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments);
- 7.19 To establish and/or support any other charity, and to make donations for any charitable purpose falling within the company's objects;
- 7.20 To take such steps as may be deemed appropriate for the purpose of raising funds for the company's activities;
- 7.21 To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them);
- 7.22 To oppose, or object to, any application or proceedings which may prejudice the company's interests;
- 7.23 To enter into any arrangement with any organisation, government or authority which may be advantageous for the purposes of the activities

of the company, and to enter into any arrangement for co-operation or mutual assistance with any charity;

7.24 To do anything which may be incidental or conducive to the furtherance of any of the company's objects.

### **Restriction on use of the company's assets**

8 Subject to article 9:-

8.1 the income and property of the company shall be applied solely towards the promotion of its objects (as set out in article 4);

8.2 no part of the income or property of the company shall be paid or transferred (directly or indirectly) to any member of the company by way of dividend, bonus or otherwise;

8.3 no director of the company shall be appointed to any office under the company in respect of which a salary or fee is payable;

8.4 no benefit (in money or money's worth) shall be given by the company to any director except repayment of out-of-pocket expenses.

9 The company shall, notwithstanding the provisions of article 8, be entitled:-

9.1 to pay a rent not exceeding the market rent for premises let to the company by any member of the company;

9.2 to make any transfer or payment to a member where such transfer or payment is made in direct furtherance of the charitable purposes of the company.

### **Liability of members**

10 The liability of the members of the company is limited.

11 Each member undertakes that if the company is wound up while he/she is a member (or within one year after he/she ceases to be a member), he/she will contribute - up to a maximum of £1 - to the assets of the company, to be applied towards:

11.1 payment of the company's debts and liabilities contracted before he/she ceases to be a member;

11.2 payment of the costs, charges and expenses of winding up; and adjustment of the rights of the contributories among themselves.

### **Membership**

12 Membership shall be open only to the members from time to time of the Catholic Bishops' Conference of Scotland.

- 13 Any individual or body who/which is a member of the company as at the time when the resolution adopting these articles is passed but is not eligible for membership under article 12 shall automatically cease to be a member with effect from the time at which the resolution adopting these articles is passed.
- 14 A member may not transfer his/her membership to any other individual or to any body.

#### **Application for membership**

- 15 A person who is a member of the Catholic Bishops' Conference of Scotland may lodge with the company a written application for membership (in such form as the directors require); he/she will automatically become a member of the company immediately upon receipt by the company of the application for membership, duly signed by him/her.

#### **Withdrawal from membership**

- 16 If any member of the Catholic Bishops' Conference of Scotland wishes to withdraw from membership, he/she shall lodge with the company a written notice of retiral (in such form as the directors require); on receipt of the notice by the company, he/she shall cease to be a member.

#### **Cessation of membership**

- 17 A person will automatically cease to be a member if he/she ceases (for any reason) to be a member of the Catholic Bishops' Conference of Scotland.

#### **Register of members**

- 18 The directors shall procure that a register of members is maintained in accordance with the provisions of the Act.

#### **General meetings**

- 19 The directors must convene a general meeting if there is a valid requisition by a resigning auditor (under section 518 of the Act).
- 20 Subject to the provisions of article 19, the directors may convene general meetings whenever they think fit.
- 21 For the avoidance of doubt, the directors shall be under no obligation to convene annual general meetings.

#### **Notice of general meetings**

- 22 At least 14 clear days' notice of each general meeting must be given to all of the members and directors, and (if auditors are in office at the time) to the auditors.

- 23 The reference to “clear days” in article 22 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted (or, in the case of notice sent by electronic means, the day after it was sent), and also the day of the meeting, should be excluded.
- 24 A notice calling a meeting shall specify the time, date and place of the meeting; it shall:
- 24.1 indicate the general nature of the business to be dealt with at the meeting;
  - 24.2 if a special resolution or a resolution requiring special notice under the Act is to be proposed, state that fact, giving the exact terms of the resolution; and
  - 24.3 contain a statement informing the members of their right to appoint a proxy.
- 25 A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting.
- 26 Notice of every general meeting shall be given: -
- 26.1 in hard copy form; or
  - 26.2 (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form.

#### **Proceedings at general meetings**

- 27 No business shall be transacted at any general meeting unless a quorum is present; three persons present and entitled to vote (each being a member or a proxy for a member) shall be a quorum.
- 28 If the quorum required under article 27 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 29 The Chair of the company (see article 62) shall (if present and willing to act) preside as chairperson of the meeting; if the Chair is not present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the Vice Chair shall act as chairperson of the meeting.
- 30 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting; or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.



- 31 Each of the directors shall, irrespective of whether he/she is a member, be entitled to attend and speak at any general meeting.
- 32 The chairperson of the meeting may, with the consent of the meeting at which a quorum is present (and must, if the meeting requests him/her to do so), adjourn the meeting but not for a period in excess of thirty days; no notice need be given of an adjourned meeting.

#### **Votes of members**

- 33 Each of the members shall have one vote in relation to each resolution proposed at a general meeting, which may be given either in person or by proxy.
- 34 If a member wishes to appoint a proxy to vote on his/her behalf at any general meeting, he/she shall:
- 34.1 lodge with the company, at the company's registered office, a written instrument of proxy (in such form as the directors require), duly signed by him/her; or
  - 34.2 send by electronic means to the company at such electronic address as may have been notified to him/her by the company for that purpose, an instrument of proxy (in such form as the directors require);
- providing (in either case) the instrument of proxy is received by the company at the relevant address not less than 48 hours before the time for holding the meeting (or, as the case may be, adjourned meeting); for the avoidance of doubt, in calculating the 48-hour period referred to in the preceding provisions of this article 34, no account shall be taken of any part of a day that is not a working day.
- 35 An instrument of proxy which does not conform with the provisions of article 34, or which is not lodged or sent in accordance with such provisions, shall be invalid.
- 36 A member shall not be entitled to appoint more than one proxy to attend on the same occasion.
- 37 A proxy appointed to attend and vote at any general meeting instead of a member shall have the same right as the member who appointed him/her to speak at the meeting, and notwithstanding that he/she may not be a member of the company.
- 38 The chairperson of a meeting shall not be entitled to a casting vote if an equality of votes arises in relation to any resolution.
- 39 A vote given by proxy shall be valid notwithstanding that the authority of the person voting had terminated prior to the giving of such vote unless notice of such termination was received by the company at the company's registered office (or, where contained in an electronic communication, was received by

the company at the address notified by the company to the members for the purpose of electronic communication) before the commencement of the meeting or adjourned meeting at which the vote was given.

### **Written resolutions**

40 A written resolution can be passed by the members (having been proposed by either the members or the directors in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act) and will have effect as if passed by the company in general meeting; a written resolution is passed when the required majority of eligible members have signified their agreement to it by sending to the company (in hard copy or electronic form) an authenticated document which identifies the resolution to which it relates and which indicates the member's agreement to it.

41 For the purposes of the preceding article:-

41.1 the reference to "eligible members" is to those members who would have been entitled to vote on the resolution on the circulation date of the resolution (which is either (a) the date on which copies of the written resolution are sent or submitted to the members in accordance with the procedures detailed in Chapter 2 of Part 13 of the Act; or (b) if copies are sent or submitted to members on different days, the first of those dates);

41.2 the reference to "required majority" is to the majority required to pass an ordinary or a special resolution under the Act, as follows:-

41.2.1 in order to pass an ordinary resolution by way of written resolution, it must be passed (in accordance with article 40) by members representing a simple majority of the total voting rights of eligible members;

41.2.2 in order to pass a special resolution by way of written resolution, it must be passed (in accordance with article 40) by members representing not less than 75% of the total voting rights of eligible members and the resolution must specifically state that it was proposed as a special resolution;

and such that (for the avoidance of doubt) with reference to paragraph 41.2, a "special resolution" will be required to change the name of the company or to make any alteration to these articles of association.

42 A resolution to remove a director (under section 168 of the Act) or a resolution to remove an auditor (under section 510 of the Act) cannot be proposed as a written resolution under article 40.

43 For the purposes of article 40, a proposed written resolution will lapse if it is not passed before the end of a period of 28 days beginning with the date on which it is sent or submitted to the members, and the agreement of the

members to a written resolution will be ineffective if signified after the expiry of that period.

### **Categories of director**

44 For the purposes of these articles:-

“**Bishop Director**” means a director appointed under articles 46 to 48;

“**Lay Director**” means a director appointed under articles 49 to 53.

### **Number of directors**

45 The maximum number of directors shall be 8; out of that number

45.1 a maximum of 5 directors shall be Bishop Directors; and

45.2 a maximum of 3 directors shall be Lay Directors.

### **Appointment, removal: Bishop Directors**

46 Subject to articles 45 and 48, the members of the Catholic Bishops’ Conference of Scotland, may by a decision taken by majority vote at a meeting of the Catholic Bishops’ Conference of Scotland and intimated in writing to the company:-

46.1 appoint any member of the Catholic Bishops’ Conference of Scotland who is willing so to act to be a director (a “Bishop Director”); or

46.2 remove any Bishop Director from office as a director.

47 Any appointment or removal of a director under article 46 shall have effect from the date on which the relevant written intimation is given to the company (whether by post, email or hand delivery).

48 The powers conferred by article 46 shall be deemed to be limited such that no more than 5 individuals appointed under article 46 may hold office as Bishop Directors at any given time.

### **Appointment, removal: Lay Directors**

49 Subject to articles 45, 51 and 53, the members of the Catholic Bishops’ Conference of Scotland, may by a decision taken by majority vote at a meeting of the Catholic Bishops’ Conference of Scotland and intimated in writing to the company:-

49.1 appoint any lay person (“lay person” for this purpose being taken to be a person who is not a member of the clergy of the Catholic church in Scotland) who is willing so to act, to be a director (a “Lay Director”); or

49.2 remove any Lay Director from office as a director.

- 50 Any appointment or removal of a director under article 49 shall have effect from the date on which the relevant written intimation is given to the company (whether by post, email or hand delivery).
- 51 The members of the Catholic Bishops' Conference of Scotland shall exercise their powers of appointment under article 49 in such a way as to ensure that the board of directors includes Lay Directors who have the requisite skills and experience to allow them to make a substantial contribution to the work of the board of directors.
- 52 With reference to article 51, the board of directors shall establish and oversee arrangements for selecting individuals with the requisite skills, who shall in turn be recommended by the board of directors for appointment by the Catholic Bishops' Conference of Scotland.
- 53 The powers conferred by article 49 shall be deemed to be limited such that no more than 3 individuals appointed under article 49 may hold office as Lay Directors at any given time.

#### **Retiral of directors - general**

- 54 Each director shall retire at the conclusion of the third Accounts Sign-off Board Meeting which follows the date on which he/she was appointed or (as the case may be) was last re-appointed – but, providing he/she is willing to act, shall then be eligible for re-appointment under article 46 or (as the case may be) article 49.
- 55 Retiral under article 54 shall take place immediately after the relevant annual accounts have been approved by the directors, but on the understanding that if a written intimation confirming re-appointment of the director under article 46 or (as the case may be) article 49, is received prior to the commencement of the board meeting, he/she will be deemed to be immediately re-appointed.
- 56 For the purposes of these articles, an “Accounts Sign-off Board Meeting” means a meeting of directors at which the final accounts of the company for a given financial year are approved by the directors.
- 57 For the avoidance of doubt, any period in office as a director prior to the adoption of these articles shall be counted in applying the provisions of article 54.
- 58 A Lay Director may be appointed for a maximum of two three-year terms in total; for the avoidance of doubt, that restriction will not apply in relation to Bishop Directors.
- 59 For the purposes of article 58, a “three-year term” shall be calculated in accordance with the principles underlying article 54 (as read with articles 55, 56 and 57).

## **Disqualification and removal of directors**

60 A director shall vacate office if:-

- 60.1 he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director or a charity trustee (within the meaning of the Charities and Trustee Investment (Scotland) Act 2005);
- 60.2 he/she is sequestrated;
- 60.3 he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity has continued, or is expected to continue, for a period of more than six months;
- 60.4 in the case of a Bishop Director, he/she ceases to be a member of the Catholic Bishops' Conference of Scotland;
- 60.5 he/she becomes an employee of the company;
- 60.6 he/she resigns office by notice to the company;
- 60.7 he/she is absent (without permission of the directors) from more than three consecutive meetings of directors and the directors resolve to remove him/her from office;
- 60.8 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have committed a material breach of the code of conduct for directors in force from time to time (as referred to in article 80);
- 60.9 he/she is removed from office by resolution of the directors on the grounds that he/she is considered to have been in serious or persistent breach of his/her duties under section 66(1) or (2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- 60.10 he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

61 A resolution under paragraph 60.8 or 60.9 shall be valid only if:-

- 61.1 the director who is the subject of the resolution is given reasonable prior written notice by the directors of the grounds upon which the resolution for his/her removal is to be proposed;
- 61.2 the director concerned is given the opportunity to address the meeting of directors at which the resolution is proposed, prior to the resolution being put to the vote; and
- 61.3 at least two thirds (to the nearest round number) of the directors then in office vote in favour of the resolution.

### **Appointments to offices**

- 62 The directors shall elect from among themselves a Chair, a Vice Chair, and an Honorary Treasurer; and such other office bearers (if any) as they consider appropriate.
- 63 The appointments under article 62 shall be made at meetings of directors.
- 64 Each office shall be held (subject to article 66) until the conclusion of the third Accounts Sign-off Board Meeting (as defined in article 56) which follows the appointment of a director to the relevant office; a director whose period of office expires under this article may be re-appointed to that office under article 62 (providing he/she is willing to act).
- 65 Retiral under article 64 shall take place immediately after the relevant annual accounts have been approved by the directors, but on the understanding that the director may subsequently be re-elected to the relevant office at that board meeting.
- 66 The appointment of any director as Chair, as Vice Chair, as Honorary Treasurer or as holder of any other office under article 62, shall terminate if he/she ceases to be a director or if he/she resigns from that office by notice to the company.
- 67 If the appointment of a director to any office under article 62 terminates, the directors shall appoint another director to hold the office in his/her place.

### **Chair**

- 68 The role of the Chair shall be to provide leadership and direction to the board of directors.
- 69 The main responsibilities of the Chair shall include the following:-
- 69.1 chairing and facilitating meetings of the board of directors;
  - 69.2 monitoring the implementation of decisions of the board of directors;
  - 69.3 representing the company at appropriate events, meetings and functions;
  - 69.4 acting as a spokesperson for the company where appropriate; and
  - 69.5 liaising with senior management of the company in relation to the running of the company.

### **Vice Chair**

- 70 The Vice Chair shall be required to deputise for the Chair if the Chair is absent or if the office of Chair is vacant.

- 71 The Vice Chair shall provide assistance to the Chair in respect of the responsibilities of the Chair as outlined in article 69 and shall undertake such specific duties as may be reasonably assigned to him/her by the board of directors from time to time.

#### **Directors' interests**

- 72 Subject to the provisions of the Act and of article 8 (as read with article 9) and provided that he/she has disclosed to the directors the nature and extent of any personal interest which he/she has (unless immaterial) and has complied with the code of conduct (as referred to in article 80), a director (notwithstanding his/her office):-

72.1 may be a party to, or have some other personal interest in, any transaction or arrangement with the company or any associated company;

72.2 may be a party to, or have some other personal interest in, any transaction or arrangement in which the company or any associated company has an interest;

72.3 may be a director or company secretary of, or employed by, or have some other personal interest in, any associated company;

72.4 shall not, because of his/her office, be accountable to the company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such company;

and no such transaction or arrangement shall be liable to be treated as void on the ground of any such interest or benefit.

- 73 For the purposes of the preceding article, an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers; the references to "associated company" shall be interpreted as references to any subsidiary of the company or any other company in which the company has a direct or indirect interest.

- 74 The directors shall be entitled, for the purposes of section 175 of the Act, to permit any director to enter into or remain in a Conflict Situation, by way of a resolution to that effect; if they do so, the duty of the director under that section to avoid any Conflict Situation will not be infringed.

- 75 Any authorisation given by the directors under article 74 may be amended or varied by the directors by resolution to that effect; and the directors may give any authorisation under article 74 subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

- 76 For the avoidance of doubt, article 74 shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the company; any

conflict of interest of that nature shall be governed by the provisions of articles 72, 73 and 100 to 105 and the code of conduct referred to in article 80.

- 77 The directors shall procure that a register of directors' interests is maintained in accordance with the provisions in this regard contained in the code of conduct for directors referred to in article 80.

### **Conduct of directors**

- 78 It is the duty of each director of the company to take decisions (and exercise his/her other powers and responsibilities as a director) in such a way as he/she considers, in good faith, will be most likely to promote the success of the company in achieving its objects (as set out in article 4) and will be in the interests of the company, and irrespective of any office, post, engagement or other connection which he/she may have with any other body which may have an interest in the matter in question.
- 79 Without prejudice to the principle set out in article 78, each of the directors shall have a duty, in exercising functions as a charity trustee, to act in the interests of the company; and, in particular, must:-
- 79.1 seek, in good faith, to ensure that the company acts in a manner which is in accordance with its purposes;
  - 79.2 act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
  - 79.3 in circumstances giving rise to the possibility of a conflict of interest between the company and any party responsible for the appointment of that director
    - 79.3.1 put the interests of the company before that of the other party;
    - 79.3.2 where any other duty prevents him/her from doing so, disclose the conflicting interest to the company and refrain from participating in any deliberation or decision of the other directors with regard to the matter in question;
  - 79.4 ensure that the company complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.
- 80 Each of the directors shall comply with the code of conduct (incorporating detailed rules on conflict of interest) prescribed by the board of directors from time to time; for the avoidance of doubt, the code of conduct shall be supplemental to the provisions relating to the conduct of directors contained in these articles of association, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the code of conduct in force from time to time.



### **Directors' remuneration and expenses**

- 81 No director may serve as an employee of the company, and no director may be given any remuneration by the company for carrying out his/her duties as a director or as Chair or as the holder of any other office under article 62.
- 82 The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings, meetings of committees of directors or otherwise in connection with the carrying-out of their duties.

### **Powers of directors**

- 83 Subject to the provisions of the Act and these articles, and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company.
- 84 No alteration of these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
- 85 The powers conferred by article 83 shall not be limited by any special power conferred on the directors by these articles.
- 86 A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

### **Proceedings of directors**

- 87 Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- 88 Any director may call a meeting of the directors or request the company secretary to call a meeting of the directors.
- 89 Questions arising at any meeting of directors shall be decided by a majority of votes; the chairperson of a meeting of directors shall be entitled to a second (casting) vote.
- 90 The quorum for the transaction of the business of the directors shall (subject to article 91) be 3.
- 91 A quorum shall not be deemed to be constituted at any meeting of the directors unless the number of Bishop Directors present at the meeting exceeds the number of Lay Directors present at the meeting.
- 92 If the quorum required under article 90 (as read with article 91) is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.

- 93 A director may participate in a meeting of the directors or a meeting of a committee of directors by means of a conference telephone, video conferencing facility or similar communications equipment whereby all the directors participating in the meeting can hear each other; a director participating in a meeting in this manner shall be deemed, for the purposes of calculating the quorum, to be present in person at the meeting.
- 94 The continuing directors or a sole continuing director may act notwithstanding vacancies, but if the number of remaining directors is less than the number fixed as the quorum, they may act only for purposes connected with the filling of vacancies or for the purpose of calling a general meeting.
- 95 Unless he/she is unwilling to do so, the Chair of the company shall preside as chairperson at every meeting of directors at which he/she is present; if the Chair is unwilling to act as chairperson of a meeting of directors or is not present within 15 minutes after the time appointed for the meeting, the Vice Chair shall act as chairperson of the meeting.
- 96 If neither the Chair nor the Vice Chair is present and willing to act as chairperson of the meeting within 15 minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson of the meeting or, if there is only one director present and willing to act, he/she shall be chairperson of the meeting.
- 97 The directors shall be entitled to allow any person to attend and speak (but not vote) at any meeting of the directors.
- 98 A person invited to attend a meeting of the directors under article 97 shall not be entitled to exercise any of the powers of a director, and shall not be deemed to constitute a director for the purposes of the Act or any provision of these articles.
- 99 All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 100 A director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, a personal interest or duty (unless immaterial) which conflicts or may conflict with the interests of the company.
- 101 For the purposes of the preceding article:-
- 101.1 an interest of a person who is taken to be connected with a director for any purpose of the Act, shall be treated as a personal interest of the director; and

- 101.2 a director shall (subject to article 102) be deemed to have a personal interest in relation to a particular matter if a body in relation to which he/she is an employee, director, member of the management committee, officer or elected member has an interest in that matter.
- 102 A director shall not be taken to have a personal interest or duty in relation to a particular matter for the purposes of article 100 solely on the grounds that he/she holds a non-remunerated office (whether as a trustee, director, member of the management committee or otherwise) in another body (whether incorporated or unincorporated) which has an interest in that matter; but where a director holds any such office, he/she must (for the avoidance of doubt) put the interests of the company before that of the other body when taking decisions as a director of the company.
- 103 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
- 104 The company may (subject to the Charities and Trustee Investment (Scotland) Act 2005) by ordinary resolution suspend or relax to any extent, either generally or in relation to any particular matter, the provisions of articles 100 to 103.
- 105 If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

#### **Decision-making by directors via resolutions agreed to by email**

- 106 If, despite reasonable endeavours, it proves impossible to identify a date and time for a meeting of the directors at which a quorum will be present (allowing for the possibility of directors participating in any of the ways described in article 93, as well as those that can attend in person) within the timescale which (in the opinion of any one director or the Director of the company) is required (to avoid prejudice to the company's interests) for a decision of the directors on an urgent matter or matters, the following procedure may be followed:
- 106.1 any one director or the Director of the company may circulate among all of the directors by e-mail a written resolution (accompanied by such briefing papers and/or other relevant documents as he/she considers appropriate) relating to the urgent matter or matters in question;
- 106.2 each of the directors shall be invited to indicate, by telephone or by email, to the person who circulated the resolution under article 106.1 his/her views in relation to the matter in question and/or any queries which he/she may wish to raise in relation to the matter in question;
- 106.3 the person who circulated the resolution under article 106.1 shall endeavour to respond in relation to any views/queries raised by a

director under article 106.2, and shall circulate both the views/queries and his/her response among all of the directors;

106.4 after allowing a period of three working days (excluding the day on which the resolution is circulated under article 106.1) for the process of exchanging and circulating views/queries and responses under articles 106.2 and 106.3, the person who circulated the resolution under article 106.1 shall invite all the directors to indicate by email whether or not they are in agreement with the resolution;

106.5 as from the point at which a majority of the directors in office at the time (excluding any directors who are not entitled to vote in relation to the matter(s) in question) indicate by email that they are in agreement with the resolution, the resolution shall be deemed to have been passed by the directors; and shall be as valid and effectual as if it had been passed at a meeting of directors, duly convened and held.

#### **Delegation to committees and holders of offices**

107 The directors may delegate any of their powers to any committee consisting of two or more directors, or to any committee which consists of one or more directors and such other individuals (who need not be directors or employees of the company) as the directors may consider appropriate; they may also delegate to the Chair or a director holding any other office such of their powers as they consider appropriate.

108 Any delegation of powers under the preceding article may be made subject to such conditions and restrictions (in the case of delegation to a committee, as contained in the terms of reference for that committee) as the directors may impose; and may be revoked or altered.

109 The composition and proceedings of each committee formed under the provisions of article 107 shall be governed by such terms of reference as may be issued by the directors from time to time.

110 For the avoidance of doubt,

110.1 the role of any committee formed under the provisions of article 107 shall be limited (except to the extent that the directors otherwise determine) to the issue of reports and recommendations for consideration by the board of directors;

110.2 any committee formed under the provisions of article 107 shall comply with the strategies and policies set by the board of directors from time to time, and with any specific direction which may be issued at any time by the board of directors to the committee;

110.3 a committee formed under the provisions of article 107 shall have no power to issue directions or instructions to the board of directors; and the board of directors shall exercise their own independent judgement (giving priority to the interests of the company as a charity) in

determining whether or not to give effect to the reports and recommendations issued by any such committee.

### **Standing committees**

111 The directors shall establish the following standing committees:

111.1 Finance and Audit Committee;

111.2 International Programme Committee; and

111.3 Outreach, Fundraising and Advocacy Committee.

112 Notwithstanding that the committees specified in article 111 will be established for the purposes outlined in articles 114.1, 114.2 and 114.3 below, the directors may choose to seek external advice in relation to any of the areas falling within the remit of any of the committees.

113 For the avoidance of doubt, the provisions of articles 107 to 110 shall apply in relation to the standing committees specified in article 111.

114 The respective roles and functions of the standing committees specified in article 111 are as follows:

#### **114.1 Finance and Audit Committee**

Role: the oversight of all financial aspects of the company's operation and performance.

Functions: ensuring that the company operates within appropriate financial guidelines; and ensuring that the company can meet its financial obligations.

#### **114.2 International Programme Committee**

Role: supporting, monitoring and advising on the development of the company's international work in a way that contributes to the quality and effectiveness of what the company does.

Functions: contributing technical and professional advice, expertise and constructive critique to international staff in the development of regional/country and programme strategies and policies; and monitoring and participating as appropriate in the learning, review and evaluation of country and regional strategies and key programmes and projects.

#### **114.3 Outreach, Fundraising and Advocacy Committee**

Role: the oversight and development of the work of the COMED (Communications and Education department)

Functions: contributing technical and professional advice, expertise and constructive critique to staff in the development and approval of strategies and plans pertaining to outreach activities in parishes and schools as well as in relation to advocacy and fundraising initiatives.

### **Bishop President**

- 115 The Bishops' Conference of Scotland may, by majority vote at a meeting of the Bishops' Conference (intimated to the company in writing), appoint one of the Bishop Directors as the Bishop President, and he shall remain as Bishop President unless and until he is removed from that office (by a similar majority vote of the Bishops' Conference, intimated in writing to the company).
- 116 The role of the Bishop President shall be:
- 116.1 to serve as the link-person with the Bishops' Conference of Scotland, reporting formally to the Bishops' Conference;
- 116.2 to serve as figurehead of the company when, from time to time, such a figurehead may be needed (e.g. at a public rally); and
- 116.3 to play a paternal role supporting the company's staff and reassuring them of the interest and support of the Bishops' Conference.

### **Company secretary**

- 117 The directors shall (notwithstanding the provisions of the Act) appoint a company secretary, and on the basis that the term of office, remuneration (if any), and other terms and conditions attaching to the appointment of the company secretary shall be as determined by the directors; the company secretary may be removed by the directors at any time.

### **Minutes**

- 118 The directors shall ensure that minutes are made (in books kept for the purpose) of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.
- 119 The minutes of each meeting shall be signed by the chairperson of that meeting and (subject to article 119) shall be circulated to all those who were in attendance at that meeting.
- 120 In the case of any non-director who attended a meeting, the board of directors may supply him/her with a summary of the minutes of the meeting (which need not include reference to any matter which the board of directors considers ought properly to be kept confidential) rather than with the minutes themselves.

## **Accounts**

- 121 Accounting records shall be kept in accordance with all applicable statutory requirements and such accounting records shall, in particular, contain entries from day to day of all sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place and a record of the assets and liabilities of the company; such accounting records shall be open to inspection at all times by any director of the company.
- 122 The directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 123 The directors shall prepare annual accounts, complying with all relevant statutory requirements.
- 124 No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or as authorised by the directors or by ordinary resolution of the company.

## **Notices**

- 125 Any notice to be given in pursuance of these articles shall be in writing.
- 126 The company may give any notice to a member in pursuance of these articles either personally or by sending it by post in a pre-paid envelope addressed to the member at its registered address or by leaving it at that address; alternatively, in the case of a member who has notified the company of an electronic address to be used for this purpose, the company may give any notice to that member by electronic means.
- 127 Any notice, if sent by post, shall be deemed to have been given at the expiry of twenty four hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
- 128 Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.
- 129 A member may give any notice to the company either by sending it by post in a pre-paid envelope addressed to the company at its registered office or by leaving it, addressed to the company company secretary, at the company's registered office.
- 130 A member present or represented at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

## **Winding-up**

- 131 If on the winding-up of the company any property remains after satisfaction of all the company's debts and liabilities, such property shall be paid or transferred to some other charity or charities with similar purposes to those of the company, as determined (prior to the winding up) by the members of the company.
- 132 To the extent that effect cannot be given to article 131, the relevant property shall be applied to some charitable purpose or purposes.

## **Indemnity**

- 133 Every director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the company against any loss or liability which he/she may sustain or incur in connection with the execution of the duties of his/her office including, without prejudice to that generality (but only to the extent permitted by those sections of the Act), any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
- 134 For the avoidance of doubt, the company shall be entitled (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) to purchase and maintain insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of his/her office; and such insurance may (subject to the provisions of section 68A of the Charities and Trustee Investment (Scotland) Act 2005) extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).