

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

**ARTICLES of ASSOCIATION  
of the  
Baptist Union of Scotland Ltd**

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## COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

### ARTICLES of ASSOCIATION

#### of the Baptist Union of Scotland Ltd

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## **General Matters**

### **Object and Activities**

1.1 The Company's object is the advancement of religion.

1.2 The said object is carried out through the following activities:

1.2.1. FELLOWSHIP: Strengthening fellowship among Baptists and with all who confess Jesus Christ as Lord by means of local churches, networks, conferences, Assemblies and publications, and also by participation in wider Baptist groupings and interdenominational activities.

1.2.2. MISSION: Supporting and extending Christ's mission both at home and overseas through evangelism, church planting and caring ministries, including the relief of poverty and the benefiting and enhancement of the communities in which churches are situated.

1.2.3. SUPPORT: Offering support in maintaining and developing the work of the churches through accredited and grant-aided ministries, financial assistance with church buildings and expert help in all areas of church life.

1.2.4. CO-ORDINATION: Discerning God's will and acting together in matters of common concern relating to the life of the Union and the state of the nation.

1.2.5. BAPTIST WITNESS: Bearing witness to Baptist principles and maintaining records of the Union's life and work through study and research, inter-church dialogue, publications and historical archives.

2. The Company's object is restricted to that set out in article 1.1 (but subject to article 3).

3. The Company may (subject to first obtaining the consent of OSCR) add to, remove or alter the statement of the Company's object in article 1.1. 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**

4. In pursuance of the object outlined in article 1.1 (but not otherwise), the Company shall have the following powers:

- (a) To strengthen fellowship; to support and extend Christ's mission both at home and overseas; to offer maintenance and development support to the work of churches; to seek to discover God's will and act together with others; and to bear witness, all as outlined in more detail in article 1.2.
- (b) To carry on any other activities which further the object, as set out in article 1.1.
- (c) To promote companies whose activities may further the above object or may generate income to support the activities of the Company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the Company, all such functions as may be associated with a holding company.
- (d) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the Company's activities.
- (e) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the Company's activities.
- (f) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the Company.
- (g) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the Company.
- (h) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities.
- (i) 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.
- (j) To employ such staff members as are considered appropriate for the proper conduct of the Company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members

of staff, ex-members of staff and their dependants.

- (k) To engage such consultants and advisers as are considered appropriate from time to time.
- (l) To effect insurance of all kinds (which may include officers' liability insurance).
- (m) 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).
- (n) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the Company's object.
- (o) To establish and/or support any other charity, and to make donations for any charitable purpose falling within the Company's object.
- (p) To take such steps as may be deemed appropriate for the purpose of raising funds for the Company's activities.
- (q) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them).
- (r) To oppose, or object to, any application or proceedings which may prejudice the Company's interests.
- (s) 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.
- (t) To establish or set up a new company which may be a company limited by guarantee or a trading company and which new company may be a subsidiary of the Company.
- (u) To do anything which may be incidental or conducive to the furtherance of the Company's object and activities.

### **Restrictions on use of the Company's assets**

5. The income and property of the Company shall be applied solely towards promoting the Company's object. Furthermore:

- (a) with the exception of (i) loans or grants to Members agreed by the

Directors (or by others duly authorised by the Directors) under delegated powers from Assembly and (ii) the terms of articles 88 to 90, which apply only in the event of winding up of the Company, no part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the Members, whether by way of dividend, bonus or otherwise;

- (b) with the exception of the General Director, Finance Director and the Mission and Ministry Adviser (and any other executive directors who may in future be appointed to fulfil these or other roles within the Company) in terms of article 58, no Director shall be appointed as either a paid employee or paid officer of the Company, nor shall a Director hold any office under the Company for which a salary or fee is payable. In its exercise of this article 5 and article 58, the Company shall be required at all times to adhere to the provisions relating to remuneration outlined in the Charities and Trustee Investment (Scotland) Act 2005; and
- (c) with the exception of the executive directors and also with the exception of the matters specified in terms of articles 58, 72, 74 and 75, no benefit (whether in money or in kind) shall be given by the Company to any Director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the Company.

### **Liability of Members**

6. Each Member undertakes that if the Company is wound up while he/she/it is a Member (or within one year after he/she/it ceases to be a Member), he/she/it will contribute up to a maximum of £1 to the assets of the Company, to be applied towards:

- (a) payment of the Company's debts and liabilities contracted before he/she/it ceases to be a Member;
- (b) payment of the costs, charges and expenses of winding up; and
- (c) adjustment of the rights of the contributories among themselves.

### **General structure**

7. The structure of the Company consists of:

- the MEMBERS - these are the church bodies (or nominated representatives thereof) who have the right to send delegates as their proxies to attend at Assembly. Members have important powers under these articles and the Act and in particular (under

the terms of the appropriate delegates' voting rights specified in articles 29 to 31). Members have the right to: (i) elect people to serve as Council members and as non executive directors, including the Convenor; (ii) take decisions in relation to changes to these articles themselves; and (iii) if they so wish, instruct their delegates as to how to vote in terms of section 324A of the Act;

- the COUNCIL MEMBERS - these are individuals elected by the Members at Assembly and who act together under delegated authority from the Members at Assembly. The Council members hold at least two meetings during the period between annual Assemblies and generally, at these times, they make decisions on behalf of the Members. Council members also have the right to set up committees or task groups in order to assist them in (among other matters) appointing and setting out the remits of the executive directors and other members of the National Team; and
- the DIRECTORS - these are individuals who also act under delegated authority from the Members at Assembly. Together, the Directors hold regular meetings during the period between annual Assemblies and generally oversee the day to day activities and operational running of the Company between Council meetings. In particular, the Directors are responsible for monitoring the financial position of the Company.

## **Membership**

### **Qualifications for Membership**

8. The Members shall consist of the subscribers to the Memorandum of Association and such other churches or nominated representatives of churches as are admitted to Membership under articles 8 to 17.

Membership shall be open to:

- (a) any nominated representative of any Scottish church adhering to the Declaration of Principle, which is constituted as an unincorporated voluntary body, it being understood that such nominated representative will be listed on the register of Members as purely acting in such capacity for and on behalf of and at the behest of the church which has nominated him/her and not in his/her own right as an individual;
- (b) any Scottish church adhering to the Declaration of Principle which is constituted as either a Scottish Charitable Incorporated Organisation or as a Company Limited by Guarantee; and
- (c) any Scottish church adhering to the Declaration of Principle which is

legally constituted in an alternative way to any of those described in either (a) or (b) above, with the proviso that where said church cannot legally transact in its own name, it shall nevertheless be eligible for Membership through a nominated representative who will be entered in the register of Members in the same way as outlined in article 8(a).

Employees and/or officers of the Company shall not be eligible to be a nominated representative. A person who becomes an employee or officer of the Company after becoming a nominated representative shall automatically cease to be a nominated representative, and the Member concerned shall be invited to nominate another individual as their nominated representative to be entered in the register of Members, as per the process outlined in the second paragraph of article 17.

### **Application for Membership**

9. Any nominated representative of a church (acting solely on behalf of and on the instructions of the membership of that church) or church with incorporated or alternative legally constituted status in its own right who/which wishes to become a Member must sign, and lodge with the Company, a written application for Membership.

10. The Directors may, in the first instance and at their discretion, indicate to the applicant their refusal to recommend any nominated representative of a church or church with incorporated or alternative legally constituted status in its own right to Membership.

11. The Council members shall however have the opportunity to consider each and every application for Membership at the first Council meeting which is held after receipt of an application. The Directors shall, within a reasonable time after that Council meeting, notify an applicant of the Council's decision on their application, which decision shall be final.

### **Membership contribution**

12. Members with incorporated or other legally constituted status in their own right, and the trustees of churches whose Membership is registered in the name of their nominated representative shall be expected to pay an annual membership contribution based on the number of members within their individual church. This annual contribution is based on a per capita payment and the amount of the per capita payment is set for each year by decision of the Council.

### **Register of Members**

13. The Directors shall maintain a register of Members, setting out the full name



and address/registered office address/ electronic address (and as appropriate, the charity and/or company or other officially designated number) of each Member, which in the case of a nominated representative will include the full official and contact details of the church which he or she represents' the date on which he/she/it was admitted to Membership' and the date on which any nominated representative, incorporated church or other legally constituted organisation ceased to be a Member.

### **Withdrawal from Membership**

14. Any Member which wishes to withdraw from Membership shall, through its nominated representative or if it is an incorporated or other legally constituted body on its own account, sign, and lodge with the Company, a written notice to that effect and on receipt of the notice by the Company, it shall cease to be a Member.

Furthermore, any nominated representative seeking to give written notice of withdrawal from Membership must additionally provide a signed extract of the minute of the church meeting at which such withdrawal was decided as corroboration that said withdrawal represents the will of the church for which he/she is the nominated representative.

### **Expulsion from Membership**

15. Any Member (whether a Member in its own name or through a nominated representative) may be expelled from Membership by decision of the Council, providing the following procedures have been observed:

- (a) at least 21 days' notice of the intention to propose a motion that the Member be expelled must be given to the Member concerned. This notice must detail the terms of the motion to be put before the Council and must clearly specify the grounds for the proposed expulsion;
- (b) the Member concerned shall be entitled to be heard at the Council meeting at which the motion is proposed; and
- (c) the Member concerned shall have a right of appeal to the next Assembly against any decision of the Council to expel them from Membership. The decision thereafter made at Assembly shall be final.

### **Termination/transfer of Membership**

16. Membership shall cease on the winding up or dissolution of the church body to which that Membership relates.

17. A Member (whether they are a Member through a nominated representative or in their own right) may not, without the approval of Council, transfer their Membership to any other body.

Notwithstanding the foregoing, a church which holds its Membership through a nominated representative may write to the secretary at any time to indicate a change in the identity and/or contact details of their nominated representative. Where such written notification indicates a change in the identity of the nominated representative, it must be accompanied by a signed excerpt of the minutes of the leadership or church members' meeting at which the identity of the new nominated representative was agreed.

Furthermore, where a church which was formerly an unincorporated voluntary body reconstitutes as a Scottish Charitable Incorporated Organisation or as a Company Limited by Guarantee, on giving notice to the secretary, such church will be eligible to be entered on the register of Members in its own right.

## **Assembly**

### **Assembly**

18. The Directors shall convene an Assembly of the Members on an annual basis. This will generally be in October of each year, but the exact date(s), venue and timing may vary from year to year, at the discretion of the Directors.

The Assembly is the general meeting of the Company.

At Assembly, AGMs (articles 19 and 20) and Special Sessions of Assembly (articles 21 to 23), it is competent to propose and pass both ordinary and special resolutions (articles 34 to 36).

### **AGM**

19. The Directors shall also convene an AGM in each year. The first AGM shall be held not later than 18 months after the date of incorporation of the Company. The AGM will normally be part of the proceedings at the annual Assembly convened in terms of article 18. Not more than 15 months shall elapse between one AGM and the next.

20. The business of each AGM shall include:

- (a) a report by the General Director on the activities of the Company;
- (b) consideration of the annual accounts of the Company;
- (c) adoption of the minutes of the proceedings of all Council meetings which

- have taken place since the last AGM;
- (d) the periodic election of Council members as referred to in articles 37 and 38; and
  - (e) the periodic election/re-election of non executive directors, including the Convenor, as referred to in articles 56 and 57.

### **Special Sessions of Assembly**

21. Special Sessions of Assembly are extraordinary general meetings of the Company. The Directors must convene a Special Session of Assembly if there is a valid requisition by Members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

22. If deemed necessary, Council may call for a Special Session of Assembly on a motion for such a call to be made passed at a Council meeting at which there is a **two-thirds majority** vote in favour of such motion.

23. By majority decision at a Directors meeting, the board of directors may, in exceptional circumstances and if they deem it necessary, convene a Special Session of Assembly.

### **Notice of Assembly, AGMs and Special Sessions of Assembly**

24. At least 14 clear days' notice must be given of all meetings of Assembly, including AGMs and Special Sessions of Assembly.

25. The reference to "clear days" in article 24 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent by electronic means, the day after it was sent) and also the day of the meeting, should be excluded.

26. A notice calling a meeting of Assembly, an AGM or a Special Session of Assembly shall (a) specify the time and place of the meeting; (b) indicate the general nature of the business to be dealt with at the meeting; (c) if a special resolution (see articles 34 and 35) or a resolution requiring special notice under the Act is to be proposed, also state that fact, giving the exact terms of the resolution; and (d) make clear the right of Members to appoint delegates as proxies in terms of sections 324 and 325 of the Act and in terms of articles 29 to 31.

27. A notice calling a meeting of Assembly at which it is intended to convene an AGM shall specify that the meeting is to include an AGM.

28. Notice of every Assembly or Special Session of Assembly shall be given:
- (a) in hard copy form; or
  - (b) in writing or (where a Member or nominated representative to whom notice is given has notified the Company of an address to be used for the purpose of electronic communication) in electronic form; or
  - (c) (subject to the Company notifying Members of the presence of the notice on the website, and complying with the other requirements of section 309 of the Act) by means of a website.

In addition, such notice shall be issued to all Members and shall comply with section 325 of the Act by specifically informing Members of their right to appoint delegates as proxies in accordance with article 31.

### **Voting at annual Assembly, AGMs and Special Sessions of Assembly**

29. Voting on decisions relating to the Company at Assembly, AGMs and at Special Sessions of Assembly is undertaken on behalf of the Membership by (1) all ministers listed in the accredited list of the Union and those in pastoral charge of churches in Membership; (2) all Council members; (3) all Directors; and (4) all delegates who have been formally registered as proxies for a specific Assembly, AGM or Special Session of Assembly.

Registration of all delegates must be notified in writing to the Convenor at least 24 hours before the specific Assembly, AGM or Special Session of Assembly to which their appointment relates.

30. Voting is undertaken on a show of hands, one vote per person authorised to vote.

31. Delegate numbers are allocated to the Members and it is from these numbers that Members may appoint proxies with entitlement to vote on their behalf under section 324 of the Act and in the manner prescribed by section 325 of the Act. Such appointment is for one Assembly or Special Session of Assembly only, after which the appointment as delegate/proxy is terminated until the Member should choose to appoint a proxy again for a succeeding Assembly or Special Session of Assembly. These delegate numbers are calculated on the following basis:

- (a) for a Member, being a church of less than or equal to 100 members, three delegates may be appointed; and
- (b) in addition, for a Member being a church with more than 100 members, one delegate for every additional 100 members or part thereof may be appointed.

32. Intention to propose a resolution at Assembly, AGM or Special Session of Assembly must previously have been submitted to Council. This submission must be done by way of prior written notice of the said intention (accompanied by the text of the said proposed resolution) having been received by the secretary at least three clear days' prior to the start of the Council meeting at which the said intention is to be noted.

### **Chairperson**

33. The Convenor shall be the chairperson at Assembly, AGMs and Special Sessions of Assembly. Alternatively, if the Convenor is unavailable, an alternative chairperson may be appointed by the Directors from amongst themselves.

The Convenor or alternative chairperson shall appoint scrutineers for an Assembly, AGM or Special Session of Assembly, if they should be required.

### **Special resolutions and ordinary resolutions**

34. For the purposes of these articles, a "special resolution" means a resolution passed by **a three-fourths majority** or more of the votes cast on the resolution, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 24 to 28. The reference to **a three-fourths majority** relates only to the number of votes cast in favour of the resolution as compared with the total number of votes cast in relation to the resolution, and accordingly no account shall be taken of abstentions or those eligible to vote who are absent from that meeting.

35. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the Company, by special resolution:

(a) to alter its name; and

(b) to alter any provision of these articles or adopt new articles of association.

36. For the purposes of these articles, an "ordinary resolution" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against), at an Assembly, providing proper notice of the meeting has been given in accordance with articles 24 to 28.

## **Council**

### **Council Membership**

37. From time to time, the Directors shall request nominations from Members for individuals to be considered for election as Council members and following the receipt of such nominations, the Directors shall have the right to decide which of the nominations shall be put before the Members at Assembly for election to the Council.

38. Up to 16 new Council members may be elected annually by Assembly. Council members shall serve for an initial period of three years. Council members will thereafter be eligible for re-election for a further period of three years, but after the expiry of their second consecutive three year term, Council members must stand down for at least one year before again being eligible for election to the Council.

The Chairpersons from time to time of the Mission Initiative Group, the Board of Ministry and the Public Theology Group (or such other groups as may in future be appointed as successors to said named groups) shall be co-opted as Council members during the periods of their respective appointments as chairpersons of the respective groups or boards concerned.

The procedure to be followed by Council members at Council meetings is contained in the Bye-Laws and Standing Orders.

### **Endorsing Reports and approving Agenda for Assembly and AGMs**

39. The Council shall receive reports from the executive directors, other National Team members, the Convenor, all groups covering ministry, mission and their related task groups, and all other committees or task groups.

40. The Council shall receive written reports annually from other representatives appointed by the Company to various bodies.

41. The Council shall endorse the annual reports to be submitted to Assembly and AGMs and shall approve the agenda for Assembly and AGMs.

### **Information Storage**

42. Subject to the legal requirements of OSCR, the Registrar of Companies and the current law from time to time regarding data protection, the Council shall determine the content and methods of storage of and access to the database

relating to the details of each Member and their related office bearers.

### **Dispute Resolution and Appeal Procedure**

43. The Council shall hear and decide on any matter of dispute within or affecting the Company in the first instance, but with the exception of the circumstances outlined in article 11, all decisions of Council on such disputes shall carry a right of appeal to the next Assembly, with the decision at said Assembly being final.

### **Delegation by Council to the National Team**

44. The Council shall delegate operational powers for the day to day running of the Company to the National Team.

45. The National Team shall meet together regularly. The members of the National Team present at a meeting shall appoint a chairperson for that meeting from among themselves.

46. The National Team shall report back to the Council at every Council meeting concerning all activities undertaken since the previous Council meeting.

### **Delegation by Council to committees or task groups**

47. The Council may delegate any of their powers to any committee or task group consisting of one or more Directors and such other persons (if any) as the Council may determine. The Council may also delegate to the Convenor (or the holder of any other post) such of the Council's powers as they may consider appropriate.

48. Any delegation of powers under article 47 may be made subject to such conditions as the Council may impose and may be revoked or altered.

49. The rules of procedure for any committee or task group shall be as prescribed by the Council. In particular, a committee or task group may be set up either on an 'ad hoc' or a continuing basis.

50. Committees or task groups are accountable to Council and shall report back to Council at least annually or, as appropriate, present recommendations following completion of their allocated task.

## **Opposition to/Amendment of decisions of Council or committees/groups**

51. Committee or task group members (i.e. the members of all committees or groups which report either directly or indirectly to Council) make decisions together by Communal Discernment. Such committee or group members, for as long as they remain members of that committee or group, are thereafter bound by all decisions made by that committee or group, and will not be entitled to speak against or oppose such decisions at any meeting of Council or Assembly regardless of whether they were present at or absent from a meeting at which a decision was taken from which they, at the time or later, wish to dissent.

52. If the Council approves a committee or task group recommendation, all Council members, for so long as they remain Council members, are thereafter bound by the decision approving such a recommendation and neither Council members nor the members of the committee or task group concerned will be entitled to speak against or oppose the recommendation at any meeting of Assembly.

53. Council decisions are made by Communal Discernment and, consequently, Council members (so long as they remain Council members) may not oppose or seek to amend at Assembly any decision of Council, regardless of whether they themselves were present at or absent from a meeting at which a decision was taken from which they (at the time or later) wish to dissent.

## **Directors**

### **Number of Directors**

54. The number of directors, including both executive and non executive directors, shall be not less than 9 and not more than 14. The number of non executive directors shall always exceed the number of executive directors. In any situation where, due to unforeseen circumstances, the number of non executive directors serving drops to a position where it is either equal to or below the number of executive directors, the board of directors shall have the right to co-opt up to two additional non executive directors, subject to ratification of said action at the respective meetings of Council and Assembly immediately following such co-option having taken place.

### **Eligibility of both executive and non executive directors**

55. A person shall not be eligible for either election as a non executive director, including the Convenor, or for appointment as an executive director unless he/she:



- (a) is a member of a church which either holds Membership in its own right or is represented in Membership by a nominated representative; and
- (b) is able to demonstrate a personal commitment to the Declaration of Principle.

### **Election, retiral, re-election of non executive directors**

56. At each annual Assembly, the Members may (subject to the voting rights in articles 29 to 31) elect any member of a church in Membership of the Company (providing he/she is willing to act) to be a non executive director, and may elect any of the non executive directors (whether newly elected or already serving as a non executive director) to serve as the Convenor.

57.1 Non executive directors (including the Convenor) shall be appointed as a non executive director for an initial period of three years and will thereafter be eligible for re-election for a further three year period. Subject only to the terms of article 57.1, on completion of two consecutive three year terms of service, a non executive director (including the Convenor) must stand down as a non executive director (and as the Convenor, if applicable) and will not be eligible for election as a non executive director until at least one year has elapsed from the end of the second three year term of service.

57.2 Notwithstanding the terms of article 57.1, in the event of an existing non executive director being elected as the Convenor either at the commencement of or at any time during the course of his or her second consecutive term of service as a non executive director, such non executive director will be eligible for election as a non executive director and as the Convenor for a third consecutive term of service which will be for three years or for as long as such non executive director continues to be the Convenor, whichever is the shorter. Such non executive director will not be eligible for re-election as a non executive director until at least one year has elapsed from the end of the third consecutive term of service.

### **Appointment and remuneration of executive directors**

58. The appointment of executive directors shall be by **a two-thirds majority** vote of Council in favour of the appointment. Remuneration for the executive directors shall be agreed through appropriate benchmarking to the reference stipend for ministers within the Union. The level and terms of such remuneration shall be recommended annually (or more frequently if required) to Council by a Remuneration sub-committee of the board of directors comprising the Finance Director and the non executive directors (but excluding any of the non executive directors to the extent that they may be remunerated as ministers of, and/or for providing pastoral services in any capacity (excepting pulpit supply provided for standard minimal remuneration) to, any church in Membership of the

Company). The quorum for the Remuneration sub-committee shall be three. The decision of the Council on the level and terms of such remuneration shall be final. Executive directors and any other Council members employed by the Company and/or remunerated as ministers of, and/or for providing pastoral services in any capacity to, any church in Membership of the Company (excepting pulpit supply provided for standard minimal remuneration) shall be deemed to have a personal interest in the matter and shall refrain from speaking and voting at Council on the level and terms of such remuneration.

### **Termination of office**

59. A Director shall automatically vacate office if:

- (a) he/she ceases to be a Director through the operation of any provision of the Act or becomes prohibited by law from being a director; or
- (b) he/she becomes debarred under any statutory provision from being a charity trustee; or
- (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and, in the reasonable opinion of a majority of the Directors, such incapacity is expected to continue for a period of more than six months; or
- (d) he/she, being an executive director, ceases to be an office holder or employee of the Company; or
- (e) he/she resigns office by notice to the Company; or
- (f) he/she is absent (without permission of the Directors) from more than three consecutive meetings of the Directors, and the Directors resolve to remove him/her from office; or
- (g) he/she is no longer in membership of a church which is a Member; or
- (h) he/she is removed from office by a resolution of the Directors on the grounds that he/she is considered to have committed a material breach of the Code of Conduct; or
- (i) he/she is removed from office by a 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 subsections 66(1) or 66(2) of the Charities and Trustee Investment (Scotland) Act 2005; or
- (j) he/she is removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

A resolution under paragraphs (h), (i) or (j) of this article shall be valid only if:

- (a) 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;
- (b) 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
- (c) at least **two-thirds** (to the nearest round number) of the Directors then in office vote in favour of the resolution.

### **Register of Directors**

60. The secretary shall maintain a register of Directors, setting out full details of each Director, including the date on which he/she became a Director, and also specifying the date on which any person ceased to hold office as a Director.

### **Office Bearers**

61 The General Director, the Finance Director and the Convenor shall, for any necessary legal purposes, be the office bearers of the Company.

62. An office bearer shall cease to hold that office if he/she ceases to be a Director, or if he/she resigns from that office by written notice to that effect.

### **Powers of Directors**

63. Subject to the provisions of the Act and these articles, and subject to any directions given by special resolution, the Company and its assets and undertaking shall be managed by the Directors, who may exercise all the powers of the Company.

64. At any Directors' meetings, at least five Directors must be present (of which a minimum of three of those present must be non executive directors) for the meeting to be quorate. If after 15 minutes of the scheduled start of a Directors' meeting or at any point during the meeting there is not a quorum present, the Convenor (or alternate chairperson of the meeting) must adjourn the business of the meeting concerned (with the exception of discussion on purely administrative matters) to a future time and date.

65. A meeting of the Directors at which a quorum is present may exercise all

powers exercisable by the Directors.

### **Personal interests**

66. A Director who has a personal interest in any transaction or other arrangement which the Company is proposing to enter into, must declare that interest at a meeting of the Directors. Such Director will be debarred from voting on the question of whether or not the Company should enter into that arrangement.

67. For the purposes of the preceding article, a Director shall be deemed to have a personal interest in an arrangement if any spouse or partner or other close relative of his/hers **or** any firm of which he/she is a partner **or** any limited company of which he/she is a substantial shareholder or director **or** any limited liability partnership of which he/she is a member **or** any Scottish Charitable Incorporated Organisation of which he/she is a charity trustee **or** any registered society or unincorporated association of which he/she is a management committee member (or any other party who/which is deemed to be connected with him/her for the purposes of the Act), has a personal interest in that arrangement.

68. Provided:

- (a) he/she has declared his/her interest:
- (b) he/she has not voted on the question of whether or not the Company should enter into the relevant arrangement; and
- (c) the requirements of article 72 are complied with,

a Director will not be debarred from entering into an arrangement with the Company in which he/she has a personal interest (or is deemed to have a personal interest under article 67) and may retain any personal benefit which he/she gains from his/her participation in that arrangement.

69. The Directors shall be entitled, for the purposes of section 175 of the Act, to authorise (by way of resolution to that effect) any conflict situation (as defined for the purposes of that section of the Act) that may arise (such that the duty of the Director concerned, under that section, to avoid conflicts of interest is not infringed) and to amend or vary any such authorisation. The Directors may give such authorisation subject to such terms and conditions as they may consider appropriate and reasonable in the circumstances.

70. The provisions of section 175 of the Act and article 69 do not apply to a

conflict of interest relating to a transaction or arrangement with the Company. Conflicts of that kind are regulated by the provisions of articles 66 to 68 and the provisions regarding Directors and procedure at Directors meetings as detailed in the Bye-Laws and Standing Orders and the Code of Conduct.

71. No non executive director may serve as an employee (full time or part time) of the Company, and no non executive director may be given any remuneration by the Company for carrying out his/her duties as a Director (with the exception of the matter specified in article 75).

72. Where a Director provides services to the Company or might benefit from any remuneration paid to a connected party for such services, then:

- (a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
- (b) the Directors must be satisfied that it would be in the interests of the Company to enter into the arrangement (taking account of that maximum amount); and
- (c) less than half of the Directors must be receiving remuneration from the Company (or benefit from remuneration of that nature).

73. The non executive directors may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Directors, Council meetings, Assembly, AGMs, Special Sessions of Assembly, meetings of committees or task groups, or otherwise in connection with the carrying-out of their duties.

74. Without prejudice to the foregoing generality, the Convenor may be paid all travelling and other expenses reasonably incurred by him/her in connection with his/her attendance at Assembly, AGMs, Special Sessions of Assembly, Council meetings, National Team Meetings, meetings of the Directors; meetings of any task group or committee to which he/she has been appointed, and when acting as a representative of the Company or otherwise carrying out his/her duties as Convenor.

75. The Convenor may, at the discretion of the other Directors, also be gifted an honorarium for services to the Company in his/her capacity as Convenor.

### **Conduct of Directors**

76. Each of the Directors shall, in exercising his/her functions as a Director of

the Company, act in the interests of the Company, and, in particular, must:

- (a) seek, in good faith, to ensure that the Company acts in a manner which is in accordance with its object;
- (b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person;
- (c) in circumstances giving rise to the possibility of a conflict of interest between the Company and any other party:
  - (i) put the interests of the Company before that of the other party, in taking decisions as a Director; or
  - (ii) where any other duty prevents him/her from doing so, disclose the conflicting interest to the Company and refrain from participating in any discussions or decisions involving the other Directors with regard to the matter in question; and
- (d) ensure that the Company complies with any direction, requirement, notice or duty imposed on it by the Charities and Trustee Investment (Scotland) Act 2005.

77. Each of the Directors shall comply and (in so far as it is individually possible for them to do so) ensure compliance with (a) the Code of Conduct and (b) the Bye-Laws and Standing Orders.

78. The Code of Conduct and the Bye-Laws and Standing Orders shall be supplemental to the provisions relating to the conduct of Directors contained in these articles, and the relevant provisions of these articles shall be interpreted and applied in accordance with the provisions of the Code of Conduct and the Bye-Laws and Standing Orders in force from time to time.

## **Administration**

### **Operation of bank accounts**

79. The signatures of two out of the signatories appointed by the Directors shall be required in relation to all operations (other than lodgement of funds and the use of on-line banking facilities) in respect of the bank accounts held by the Company. At least one out of the two signatures must be the signature of a Director. Where on-line banking facilities are being used to make a payment from the said bank accounts, this can only be done by one of the foregoing signatories after written authority for the payment concerned has been given by a Director.

## **Secretary**

80. The secretary shall be a role which is within the remit of the Finance Director but in his/her absence for any reason, the Directors shall (notwithstanding the provisions of the Act) be able to appoint a temporary secretary. The term of the appointment of that temporary secretary, the remuneration (if any) payable to the temporary secretary, and the conditions of his/her appointment shall be as determined by the Directors. The appointment of such temporary secretary may be terminated by the Directors at any time.

## **Minutes**

81. The Directors shall ensure that minutes are made of all proceedings at Assembly, AGMs, Special Sessions of Assembly, Council meetings, Directors' meetings, National Team meetings and meetings of committees or task groups. A minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of that meeting.

## **Accounting records and annual accounts**

82. The financial year end shall be on 31st March in each year or on such other date as may be determined by the Directors.

83. The Directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.

84. The Directors shall prepare annual accounts, complying with all relevant statutory requirements. If an audit is required under any statutory provisions or if the Directors otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.

## **Notices**

85. Any notice which requires to be given to a Member under these articles shall be given either in writing or by electronic means. Such a notice may be given personally to the Member **or** be sent by post in a pre-paid envelope addressed to the Member at the address last intimated by him/her/it to the Company **or** (in the case of a Member who has notified the Company of an address to be used for the purpose of electronic communications) may be given to the Member by electronic means.

86. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 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.

87. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent. For 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.

## **Miscellaneous**

### **Winding-up**

88. 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 transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the Members at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for a charitable purpose or charitable purposes.

89. A body to which property is transferred under article 88 may be a Member or Members.

90. To the extent that effect cannot be given to article 88 (as read with article 89), the relevant property shall be applied to some charitable purpose or purposes.

### **Indemnity**

91. 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. That may include, 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 judgment is given in his/her favour or in which he/she is acquitted **or** any liability in connection with an application in which relief is granted to him/her by the court from liability for negligence, default or breach of trust in relation to the affairs of the Company.

92. 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 for any Director 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).

### **Telephone and Video Conferencing**

93. While most meetings of the Company will be conducted face to face, it is intended that, where appropriate (but specifically **not** for meetings of Assembly, AGMs, Special Sessions of Assembly or Council), telephone or video conferencing may be used in order to facilitate meetings which could not otherwise take place or to facilitate the attendance of participants unable (for any reason) to travel to the meeting venue. Attendance of a meeting participant by telephone or video conferencing will constitute valid attendance at any meeting of the Company to which attendance by telephone and video conferencing is permissible under this article.

### **Constitution of Company**

94. The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of the Company.

### **Defined terms**

95. In these articles, unless the context requires otherwise:-

(a) 'Act' means the Companies Act 2006;

(b) 'AGM' means the annual general meeting of the Company;

(c) 'Assembly' is the name given to general meetings of the Company and in the context of these articles, it means a meeting of (1) all ministers listed in the accredited list of the Union and those in pastoral charge of churches in Membership; (2) all delegates, who act as proxies from churches in Membership; (3) all Council members; and (4) all Directors:

- the Assembly is normally held annually in October of each year, although additional Special Sessions of Assembly can be convened, if necessary, at other times in the year. The Company's AGM will normally be included as part of the proceedings at the annual Assembly;
- the Assembly is the primary meeting for decision-making by Members.

The Assembly voting procedure is detailed at articles 29 to 32. At Assembly, Members vote on any matters of importance affecting the Company, including (but not restricted to) the agenda for the AGM;

- as decision-making powers within the Company ultimately rest with the Members at Assembly, decisions made at other meetings of the Company (viz., Council meetings' Directors' meetings' National Team meetings and meetings of any committees or task groups) are made under delegated authority from the Members at Assembly; and
- with the exception of the circumstances outlined in article 11, the Assembly is the ultimate appeal body in all cases of dispute within or affecting the Company;

(d) 'board of directors' means the Directors of the Company as a group, which group is comprised of both the executive and non executive directors;

(e) 'Bye-Laws and Standing Orders' mean the Company's bye-laws and standing orders, as the same are agreed and in force from time to time.

(f) '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;

(g) '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;

(h) 'charity trustee' means a trustee of a charity, and in relation to the Company refers to the Directors;

(i) 'Code of Conduct' means the Company's directors' code of conduct, as the same is agreed and in force from time to time.

(j) 'committee(s) or task group(s)' means any such groups appointed by the Council to which articles 47 to 50 and 52 to 53 relate;

(k) 'Company' means the Baptist Union of Scotland Ltd, being the company to which these articles relate;

(l) 'Communal Discernment' means the ecclesial practice of attentive listening, deliberating and agreeing together, in seeking after God's perceived will, with regards to an appropriate action or response to be undertaken.

(m) 'Council' means the Council of the Company, which body is tasked with actioning the decisions taken by the Members at Assembly and appropriately overseeing and conducting Company business requiring attention on behalf of

the Members between Assemblies, AGMs and/or Special Sessions of Assembly;

(n) 'Council meeting' means a meeting of the Council. Such meetings normally occur at least twice in each year and are required to follow the appropriate procedure, as detailed in the Bye-Laws and Standing Orders.

(o) 'Council members' mean individuals who are members of churches in Membership and who have been elected at Assembly to serve for a period of 3 years as members of Council, together with the following persons:

- the non executive directors
- the executive directors and other National Team members;
- two members of the Scottish Baptist Women's Fellowship;
- the college principal and a representative of the Scottish Baptist College (or its successor organisation);
- the Company's solicitor;
- the General Secretaries/Directors of those Unions in membership of the Fellowship of Baptists in Britain and Ireland (FBI) (or alternates); and
- up to six co-opted members who may be appointed for specific periods of time and for specific reasons;

(p) 'Declaration of Principle' means the convictional consensus shared by the Union viz.,

The basis of the Union is:

1. that the Lord Jesus Christ our God and Saviour is the sole and absolute authority in all matters pertaining to faith and practice, as revealed in the Holy Scriptures, and that each church has liberty, under the guidance of the Holy Spirit, to interpret and administer His laws;

2. that Christian Baptism is the immersion in water into the name of the Father, the Son, and the Holy Spirit, of those who have professed repentance towards God and faith in the Lord Jesus Christ, who died for our sins according to the Scriptures, was buried and rose again the third day;

3. that it is the duty of every disciple to bear witness to the Gospel of Jesus Christ, and to take part in the evangelisation of the world;

(q) 'delegates' mean those individuals present at an Assembly, AGM or Special Session of Assembly who are authorised to vote as proxies for the Members (in terms of articles 29 to 31) at the specific meeting to which their authorisation relates;

(r) 'Directors' means the group of persons tasked with overseeing the implementation of the decisions of both Assembly and Council. This group

comprises:

- the Convenor;
- the General Director;
- the Finance Director;
- the Mission and Ministry Advisor; and
- at least five other directors elected by the Members at Assembly.

This group is required to adhere to the Code of Conduct and follow the appropriate procedural and other requirements as detailed in the Bye-Laws and Standing Orders;

(s) 'electronic form has the meaning given in section 1168 of the Act;

(t) 'executive directors' means collectively, the General Director, the Finance Director and the Mission and Ministry Advisor, and any other executive directors who may in the future be appointed to fulfil these or other roles within the Company;

(u) 'Member' or 'Members' mean(s) a member or members of the Company.

(v) 'Membership' means membership of the Company.

(w) 'Memorandum of Association' means the memorandum of association of the Company.

(x) 'National Team' means the group of individuals tasked with implementation of the decisions of Assembly, Council and the Directors through the day to day conduct of Company business. This group comprises:

- the executive directors;
- the development coordinators and such other individuals as may be appointed to this team by the Council; and
- such other individuals with specific expertise who may be co-opted by the executive directors at specific times and for specific purposes;

(y) 'nominated representative' means the one individual nominated by a church which is part of the Union, but which is currently an unincorporated voluntary body. In the case of such churches, Membership of the Company will be held in name of this individual for and on behalf of and solely at the behest of the church to which they belong and by which they have been so nominated;

(z) 'non executive directors' means the directors, including the Convenor, elected in terms of articles 56 and 57 (i.e. all directors except the executive directors);

(aa) 'OSCR' means the Office of the Scottish Charity Regulator;

(bb) 'per capita payment' means a payment based on the number of individual members of a church in Membership;

(cc) 'property' means any property belonging to the Company, whether it is heritable, moveable or digital, real, personal or intellectual;

(dd) 'secretary' means the Company Secretary who shall, where possible but subject to article 80, be the person who holds the appointment as Finance Director of the Company;

(ee) 'Special Sessions of Assembly' mean extraordinary general meetings of the Company called for in exceptional circumstances by either the Directors or the Council members and occurring at any time between annual Assemblies;

(ff) 'subsidiary' has the meaning given in section 1159 of the Act; and

(gg) 'Union' means the union or association of churches represented by the Membership, which union or association goes back in history to the unincorporated body known as "the Baptist Union of Scotland" set up in the year 1869 and which continued right up to the time of incorporation of the Company as its successor body and the ethos of which is continued and is intended to be continued through the object and activities of the Company.

96. 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.