

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

of

**THE CARLISLE DIOCESAN BOARD OF FINANCE LIMITED
(CRN: 39625)**

(As adopted by Special Resolution passed on the 15th day of June 2021)

INTERPRETATION

1. In these Articles:

"the Act" means the Companies Act 2006;

"the Seal" means the Common Seal of the Board.

"Chairman" means the Chairman of the Board appointed by the Directors pursuant to Article 44;

"Clear Days" means in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

"Excluded Person" means any person who is appointed to any salaried office of the Board or any office of the Board paid by fees;

"Secretary" means any person appointed to perform the duties of the Secretary of the Board;

"the United Kingdom" means Great Britain and Northern Ireland;

"the Commission" means the Charity Commissioners of England and Wales;

"the Diocese" means whatever for the time being shall be the area of the Diocese currently called the Diocese of Carlisle;

"the Board" means the Carlisle Diocesan Board of Finance Limited;

"the Synod" means the Diocesan Synod for the time being of the Diocese;

"Directors" means the Directors for the time being of the Board which shall include any of them acting as the Finance Committee and the words "Director" and "Finance Committee" shall be construed accordingly; and

"Members" means members of the Board from time to time.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

References to masculine, feminine and neuter shall encompass a reference to any of them and references to the singular shall include the plural and vice versa

Unless the context otherwise requires, words or expressions used in these Articles shall bear the same meanings as in the Act.

References to the Schedule are to the Schedule to these Articles of Association and references to paragraphs are to paragraphs of the Schedule.



2. The maximum number of Members shall not, save as varied by ordinary resolution by the Board, exceed 200

MEMBERS OF THE BOARD

3. Subject to Article 5 the following persons shall be the Members:-

- (a) The Bishop for the time being of the Diocese (who shall be President of the Board) ex officio but who shall have the same rights to vote and attend meetings of the Board as all other Members ;
- (b) The Suffragan Bishop for the time being ex-officio but who shall have the same rights to vote and attend meetings of the Board as all other Members;
- (c) The Archdeacons for the time being of the respective Archdeaconries of the Diocese ex-officio but who shall have the same rights to vote and attend meetings of the Board as all other Members;
- (d) Unless otherwise from time to time resolved by the Board, each and every member for the time being of the Synod save for any person who is an Excluded Person;
- (e) Such persons elected to the Finance Committee pursuant to Article 32(c) ex-officio but who shall have the same rights to vote and attend meetings of the Board as all other Members;
- (f) Such persons appointed to the Finance Committee pursuant to Article 32(d) ex-officio but who shall have the same rights to vote and attend meetings of the Board as all other Members; and
- (g) Such other persons as may be co-opted in manner hereinafter provided -

A certificate signed by the Secretary of the Synod from time to time certifying the names and addresses of the members of the Synod for the time being shall (in the absence of manifest error) be conclusive evidence of the matters so certified.

- 4.

- (a) In the event that the total number of lay persons who are Members from time to time shall not exceed the total number of clergy who are Members from time to time (in each case including any vacancies which have arisen by death or resignation) the House of Laity of the Synod shall by resolution co-opt into membership of the Board such number of lay persons as are necessary to ensure that the majority of the Members from time to time are lay persons;
- (b) In the event that the Board in its absolute discretion resolves that additional expertise is required by itself or its committees to enable it or them to discharge fully its or their duties the Board or its committees (as the case may be) shall have power to co-opt such person or persons with such qualifications or expertise and upon such terms and conditions as it or they shall think fit

provided that any person so co-opted to membership of the Board shall only become a member of the Board on complying with Article 5 and shall cease to be a member upon either the earlier of the date upon which they cease to be a member pursuant to Article 28 or on the date of the next election of members of Synod which takes place after the date upon which he was co-opted but such co-opted member or members shall be eligible for re-co-option

5. Every person qualified to be a member shall become a member of the Board upon signing a Declaration in such format as the Finance Committee shall from time to time require confirming that he or she consents to serve and agrees to be bound by the Memorandum and Articles of the Board from time to time including (without limitation) Article 74.
6. The Board may act notwithstanding any vacancy in the number of Members
7. The existing Members at the date of the adoption of these Articles shall continue as such Members and shall constitute the Board for all purposes until the first meeting of the Synod to be held after the adoption of these Articles and shall then (with the exception of the Chairman of the Board as at the date of that meeting) cease to be Members but may immediately become Members again under the provisions of Article 3

GENERAL MEETINGS OF THE BOARD

8. The Board shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other Meetings in that year, and shall specify the Meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Board and that of the next.
9. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings
10. The Secretary, at the request of the President from time to time or of any thirty Members, shall convene an Extraordinary General Meeting. Any such requisition by the Members must be signed by all such Members and set out the object of the meeting and be deposited at the registered office of the Board. The Secretary shall within 21 days of the receipt thereof proceed to convene an Extraordinary General Meeting to be held within two months from the date of the receipt of the requisition. In default the requisitionists or any other Member may convene an Extraordinary General Meeting, for such purposes only as shall be specified in the requisition, to be held on such day and at such place as the person convening the same may determine. In the case of a meeting at which a resolution is to be proposed as a special or extraordinary resolution, notice thereof shall be given as required by the Act. Extraordinary General Meetings may also be convened by such requisitionists as provided by the Act
11. The Finance Committee may call Extraordinary General Meetings as they shall deem necessary.

NOTICE OF GENERAL MEETINGS

12. An Annual General Meeting and a General Meeting called for the passing of a Special Resolution shall be called by twenty-one Clear Days' notice in writing at the least, and a General Meeting other than an Annual General Meeting or a General Meeting for the passing of a Special Resolution shall be called by fourteen Clear Days' notice in writing at the least. The notice shall specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned, or in such manner, if any, as may be prescribed by the Board in General Meeting, to such persons (including the Auditors and Solicitors of the Board) as are, under these Articles or the Act, entitled to receive such notices from the Board, and to no other person and such notice shall also state whether the meeting is convened by the Directors or by the President or by the Members pursuant to Article 10. A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:
 - (a) In the case of a meeting called as the Annual General Meeting by all members entitled to attend and vote thereat; and
 - (b) In the case of any other General Meeting, by a majority in number of the members having a right to attend and vote at the meeting together representing not less than ninety-five per cent of the total voting rights at that meeting of all the members
13. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
14. All business shall be deemed special that is transacted at an Annual General Meeting with the exception of the consideration of the income and expenditure account and balance sheet and the ordinary reports of the Finance Committee and Auditors, the appointment of Auditors and the fixing of their remuneration and business relating thereto.

PROCEEDINGS AT GENERAL MEETING

15. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Subject to Article 16, sixty Members present in person shall be a quorum
16. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members pursuant to Article 10 shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Chairman may determine, and if at the adjourned meeting a

quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum and shall have the power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

17. The Chairman shall subject to Article 18, chair all General Meetings of the Board.
18. If the Chairman shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling or unable to act as such then the Directors present shall elect one amongst their number to act as chairman for the purposes of each meeting. If there are no Directors present or the Directors are unable or unwilling to act as such the Members present shall elect one of their number to be Chairman for the purposes of their meeting.
19. The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the manner appropriate to the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
20. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-
 - (a) by the chairman; or
 - (b) by the President; or
 - (c) by at least five Members present in person.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Board shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for the poll may be withdrawn only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

21. Except as provided in Article 22, if a poll is duly demanded it shall be taken forthwith in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
22. No poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment
23. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
24. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
25. A resolution in writing signed by all the Members, for the time being entitled to receive notice of and to attend and vote thereon in General Meeting, shall be as valid and effective as if the same had been passed at a General Meeting duly convened and held and may consist of several documents in like form each signed by one or more Members.

VOTES OF MEMBERS OF THE BOARD

26. Except as provided in Article 23 every member of the Board entitled to vote shall have one vote and one vote only, and votes shall in all cases be given personally and not by proxy. A member of the Board shall not be entitled to appoint a proxy
27. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at such meeting shall

be valid. Any objection made in due time shall be referred to the chairman of the meeting in question whose decision shall be final and conclusive.

DISQUALIFICATION OF MEMBERS

28. Membership of the Board shall cease automatically if a member
- (a) dies;
 - (b) resigns his membership on giving not less than 7 days' notice in writing to the Board at its registered office;
 - (c) ceases (for whatever reason) to be a member of Synod;
 - (d) in the event that such member is co-opted under Article 4(f), the Board or the relevant Committee (as the case may be) determines that such membership is to cease;
 - (e) ceases to hold the office which qualifies him to be a member; or
 - (f) becomes an Excluded Person.

SECRETARY

29. The Secretary shall be appointed by the Finance Committee for such term at such remuneration, and upon such conditions as the Finance Committee shall determine, and any Secretary so appointed may be similarly removed.
30. Notwithstanding the foregoing any person appointed as secretary shall not be entitled to any remuneration whilst he is a member but he shall be entitled to be reimbursed all out of pocket expenses properly incurred by him and approved by the Finance Committee.

COMMITTEES

31. Subject to the provisions of the Act, the Schedule, these Articles and to any directions given by ordinary resolution, the business of the Board shall be managed by the Finance Committee who may exercise all the powers of the Board. The members of the Finance Committee shall be Directors for all the purposes of the Act. No alteration of the Memorandum of Association of the Board or these Articles (including the Schedule) and no such direction 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. The powers given by this regulation shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

THE FINANCE COMMITTEE

32. The Finance Committee shall consist of:
- (a) the Bishop for the time being of the Diocese;
 - (b) the Archdeacons for the time being of the respective Archdeaconries of the Diocese
 - (c) five other persons either Clerical or Lay, elected by the Members, each being a communicant Member of the Church of England or a Church in communion therewith; and
 - (d) such other persons (not exceeding 4 in number from time to time) each being a communicant Member of the Church of England or a Church in communion therewith, or of a Church with which the Diocese of Carlisle is in a Covenanted Ecumenical Partnership, or of a Church which is a member of Churches Together in Britain and Ireland, who may be appointed from time to time by the members of the Finance Committee appointed under 32. (a), (b) and (c) on the basis of their experience or expertise in financial matters.
33. The maximum number of Directors unless determined by a special resolution of the Board shall not exceed 13.

34. A Director shall automatically vacate his office as hereto:
- (a) if he ceases to hold the office which qualifies him to be a Director; or
 - (b) if he is removed by the person or body appointing him, or the period for which he was appointed expires; or
 - (c) if he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (d) if he ceases to be a Director by reason of any provision of the Act or he becomes prohibited by law from being a director; or
 - (e) if he is, or may be, suffering from mental disorder such that he is either admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984 or an order is made by a court having jurisdiction (whether in the United Kingdom or otherwise) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - (f) if he dies; or
 - (g) if he resigns his office by notice in writing to the Board; or
 - (h) if he is directly or indirectly interested in any contract with the Board and fails to declare the nature of his interest in the manner required by the Act; or
 - (i) if he is disqualified by law from being a trustee of a charity by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision); or
 - (j) if in a period of more than twelve consecutive months he has been absent without permission of the Chairman from in excess of 33% of meetings of Directors held during that period; or
 - (k) if he has been absent from more than one Diocesan Board of Finance meeting in any three without permission of the Chairman; or
 - (l) if he becomes an Excluded Person; or
 - (m) if he is convicted of a criminal offence which in the opinion of the Directors brings the Board into disrepute; or
 - (n) if he ceases to be a communicant member of the Church of England or a Church in communion with the Church of England or of a Church with which the Diocese of Carlisle is in a Covenanted Ecumenical Partnership, or of a Church which is a member of Churches Together in Britain and Ireland and the Board resolve that his office be vacated.
35. The term of office for Directors elected or co-opted pursuant to Articles 32 (c) or (d), shall be consecutive periods of three years, renewable no more than twice. The first period for such a term of office shall be deemed to have begun on 1 January 2016. Notwithstanding the foregoing:
- (a) For Directors elected or co-opted pursuant to Articles 32 (c) or (d) to fill a casual vacancy more than half way through such a term, the maximum period of office will be the remaining period of the term in which the appointment took place plus up to three subsequent consecutive full terms of three years.
 - (b) For Directors elected or co-opted pursuant to articles 32 (c) or (d) to fill a casual vacancy less than half way through such a term, the maximum period of office will be the remaining period of the term in which the appointment took place plus up to two subsequent consecutive full terms of three years.
36. No Director shall vacate or be required to vacate his office on or by reason of his attaining or having attained the age of seventy or any other age, and any such Director retiring or liable to retire under the

provisions of these Articles and any person proposed to be appointed shall be capable of being re-appointed or appointed as the case may be, as a Director, notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy or any other age, and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a member of a person who shall have attained the age of seventy or any other age

POWERS AND DUTIES OF THE FINANCE COMMITTEE

37. The Finance Committee shall perform such functions as shall from time to time be delegated to it by the Board whether under these Articles or otherwise and may exercise all such powers of the Board as are not, by the Act or by these Articles, required to be exercised by the Board in General Meeting subject nevertheless to the provisions of the Act and these Articles and to such regulations being not inconsistent therewith, as may be prescribed by the Board in General Meeting.
38. The Directors may delegate any of their powers or functions to any sub-committee (or a number of sub-committees) consisting of one or more Directors. Any such delegation shall be subject to such conditions as the Directors may from time to time impose including the condition that no expenditure may be incurred on behalf of the Board except in accordance with a budget previously agreed with the Directors. Subject to any such conditions, the proceedings of any such sub-committee shall be governed by these Articles regulating the proceedings of Directors so far as they are capable of applying, provided that all acts and proceedings of any such sub-committee shall be reported to the Directors as soon as possible.
39. No sub-committee shall have the authority to do or sanction any matter which is expressly reserved under these Articles to the Finance Committee unless it is specifically delegated to such sub-committee save as specifically required by law.

PROCEEDINGS OF THE FINANCE COMMITTEE

40. The Directors and all members of other Committees properly constituted under these Articles may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit provided always that the Finance Committee shall meet no less than four times per calendar year. With the agreement of the Chair a member can participate fully in a meeting using electronic communication media including telephone or video.
41. The quorum necessary for the transaction of the business of the Finance Committees shall be fixed by the Board by ordinary resolution and unless so fixed shall be five, two of whom at least shall have been elected pursuant to Article 32(c)
42. Any Director may, and the Secretary at the request of a Director shall, call a meeting of the Finance Committee, fourteen Clear Days' notice of which shall be given to all Directors, save that it shall not be necessary to give notice of a meeting to a person who is absent from the United Kingdom.
43. The continuing Directors, or a sole continuing Director, may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed as the necessary quorum of Directors, the continuing Director or Directors may, subject to the provisions of these Articles, act for the purposes of increasing the number of Directors to that number, or of summoning a general meeting of the Board, but for no other purpose.
44. The Directors shall appoint one of the elected or co-opted members to be the Chairman of the Board and may at any time remove him from that office. Such appointment shall be automatically determined if a person so appointed shall cease for any cause to be a Director. The Chairman shall be the chairman of the Finance Committee but shall have no functions or powers by virtue only of his position of Chairman except those conferred by these Articles or delegated to him by the Finance Committee.

The Directors may appoint one of the elected or co-opted members to be the Vice-Chairman of the Board and may at any time remove him from that office.
45. If at any meeting of the Finance Committee the Chairman has intimated that he is unable to be present or is not present within five minutes after the time appointed for holding the same, or declines to take the Chair, the Vice-Chairman will be chairman for the purposes of the meeting. If there is no Vice-Chairman or the Vice-Chairman is not present, the Directors present may choose one of their number to be Chairman for the purposes of the meeting.

46. Questions arising at any meeting of any Finance Committee shall be determined by a majority of votes of the Directors present and in the case of an equality of votes the Chairman shall have a second or casting vote.
47. The Finance Committee shall cause minutes of all its proceedings to be made in books provided for the purpose including of all appointments of officers made by the Board, of the names of the Directors present at each meeting of the Finance Committee and of any sub-committee of the Finance Committee, of all resolutions and proceedings at all meetings of the Board and of the Finance Committee, and of sub-committees of the Finance Committee and, where appropriate, the reasons for the decisions made at such meetings and the nature and extent of any powers delegated by the Finance Committee.
48. All acts bona fide done by any meeting of the Finance Committee or of a sub-committee of the Finance Committee constituted in accordance with Article 38, or by any person acting as a Director or as a member of a sub-committee, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or member of such sub-committee.
49. The Directors may at any time invite any other person to attend as an observer to any meetings of the Finance Committee, from whose attendance it is believed that the Finance Committee would benefit and, if invited by the chairman to do so, to speak at such meetings of the Finance Committee but any such observer shall not be entitled to vote, nor shall they be counted in establishing the quorum, and shall withdraw from the meeting for the period during which any matter is to be discussed and considered which the chairman believes to be confidential or may give rise to any conflict of interest for such person.
50. A resolution in writing, signed by all the Directors entitled to receive notice of a meeting, or of a sub-committee of the Directors (as the case may be) and to vote upon such resolution shall be as valid and effectual as if it had been passed at a meeting of the Finance Committee or relevant sub-committee (as the case may be) duly convened and held and may consist of several documents in like form each signed by one or more Directors.
51. If a question arises at a meeting of the Finance Committee or relevant sub-committee (as the case may be) or of a sub-committee of Finance Committee as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting whose ruling in relation to any Director shall be final and conclusive.
52. Any Director may participate in a meeting of the Finance Committee or a sub-committee constituted pursuant to Article 38 of which they are a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, and such Director shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
53. The Directors shall take all such action and exercise all powers available to them to ensure that those persons who are entitled to become Members under Articles 3 or 4 shall forthwith become Members.

DIRECTORS' REMUNERATION

54. No Director may be paid any remuneration save as expressly permitted by paragraph 5 of the Schedule.

DIRECTORS' INTERESTS

55. Subject to the provisions of the Act and the Schedule, and provided that he has disclosed to the Directors the nature and extent of any interest of his and provided that the Directors do not request him to withdraw whilst the matter in question is discussed and resolved upon, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Board or in which the Board is otherwise interested;
- (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise in, any body promoted by the Board or in which the Board is otherwise interested;
- (c) may be a member of any corporation or unincorporated association in which the Board is in any way interested; and
- (d) shall not, by reason of his office, be accountable to the Board for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such corporation or unincorporated association and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

but shall not be entitled to attend and vote and be counted in the quorum of any matter concerning Articles 55(a) to 55(d)

56. For the purposes of Article 55:

- (a) a general notice given to the Finance Committee that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a Director shall be treated as an interest of the Director.

57 Subject to Article 58, all acts done by a meeting of the Finance Committee, or a sub-committee thereof constituted in accordance with Article 38, shall be valid notwithstanding the participation or the votes of a Director who:

- (a) was disqualified from holding office;
- (b) had previously retired, or who had been obliged by these Articles to retire; or
- (c) was not entitled to vote on such matter, whether by reason of Article 55, or otherwise

if without the vote of such Director and that Director being counted in the quorum, the decision has been made by a majority of the Directors at a quorate meeting.

58 The provisions of Article 57 do not permit a Director to keep any benefit that may be conferred upon him by a resolution of the Finance Committee, or a sub-committee of the Finance Committee constituted in accordance with Article 38, if but for the provisions of Article 57 the resolution would have been void, or if the Director has not complied with Article 55.

POWERS AND DUTIES OF THE BOARD

59 Notwithstanding any other provisions of these Articles the Board, in General Meeting may from time to time make, vary and repeal regulations, standing orders and bye-laws for the regulation and conduct of the business and affairs of the Board, its officers, servants and the members of any section thereof, but so that such regulations, standing orders and bye-laws shall not be inconsistent with the provisions or regulations contained in the Articles of Association or amount to such an addition to or alteration of the Articles of Association, as could only legally be made by Special Resolution. Provided that in case there shall at any time be any conflict between the Articles of Association and the standing orders and bye-laws the provisions of the Articles of Association shall prevail.

THE SEAL

60. If the Board shall have a Seal then the Finance Committee shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director. A record of every occasion upon which the Seal is used shall be kept by the Secretary.
61. In accordance with the Act, a document may be executed as a deed without affixing the Board Seal thereto provided that such execution shall only be used by the authority of the Finance Committee or by a sub-committee of Finance Committee constituted in accordance with Article 38 and authorised by the Directors in that behalf. The Directors may determine who shall sign any instrument to which such form of execution is effected and unless otherwise so determined it shall be signed by a Director and countersigned by the Secretary or by a second Director.

ACCOUNTS

62. The Directors shall cause proper accounting records to be kept in respect of the Board accordance with the Act. The accounts must be prepared to show a true and fair view and follow accounting standards issued by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.
63. The accounting records shall be kept at the registered office of the Board or subject to the provisions of the Act, at such other place or places as the Directors shall think fit and shall always be open to the inspection of the Directors.
64. The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Board in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the Act.
65. A copy of every balance sheet (including every document required by law to be annexed to it) which is to be laid before the Board in general meeting together with a copy of the auditor's report, and the Director's report, shall not less than twenty one Clear Days' before the date of the meeting be sent to every Member and every holder of debentures of the Board, to the Rural Deans and Deanery Lay Chair within the Diocese, to the Diocesan Office and to (save as not included within the foregoing) every member of the Synod together with a summary of such accounts provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Board is not aware or to more than one of the joint holders of any debentures.

AUDIT

66. Auditors shall be appointed and their duties regulated in accordance with the Act .

ANNUAL REPORT AND RETURN AND REGISTER OF CHARITIES

67. The Directors shall comply in all respects with the requirements of the Charities Act 1993 (or any statutory re-enactment or modification of that provision) in respect of:
- (a) the transmission of the statement of account to the Commission;
 - (b) the preparation of an annual report and its transmission to the Commission; and
 - (c) the preparation of an annual return and its transmission to the Commission.
68. The Directors must notify the Commission promptly of any changes to the Board's entry on the Central Register of Charities.

NOTICES

69. A notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Finance Committee need not be in writing
70. The Board may give any notice to a Member either personally or by sending it by post in a prepaid envelope addressed to him at his registered address, or at the address, if any, within the United

Kingdom supplied by him to the Board for giving of notices to him. The Board may also give notice to a Member by sending an e-mail notice to an e-mail address which has been notified to the Board in writing for this purpose. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice as first-class mail and to have been effected at the expiration of 24 hours after the letter containing the same is posted.

71. A Member present, at any meeting of the Board shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

INDEMNITY

72. Subject to the provisions of the Act and so far as may be permitted by law and the Schedule, every Director, Auditor, Secretary or other officer of the Board shall be entitled to be indemnified by the Board against all costs, charges, losses expenses and liabilities incurred by him in the lawful execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Board in relation to the affairs of the Board and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application for relief from liability for negligence, default, breach of duty or breach of trust in respect of any such act or omission in which relief is granted to him by the Court.
73. Subject to the provisions of the Act and so far as may be permitted by law and the Schedule, the Directors may exercise all the powers of the Board to purchase and maintain any policy of insurance for any Director, other officer or auditor of the Board against any such liability referred to as being indemnified in Article 72.

WINDING UP

74. The provisions of paragraphs 6 and 7 of the Schedule relating to the winding-up and dissolution of the Board shall have effect as if the same were repeated in these Articles.

THE SCHEDULE

75. The provisions of the Schedule shall be deemed to have effect as if the same were repeated in these Articles. If there is a conflict between the terms of the Schedule and Articles 1 to 74, then (subject to the express terms of Articles 1 to 74) the provisions of Articles 1 to 74 shall prevail.
76. Provisions contained in the Memorandum of Articles of Association (other than provisions of the kind mentioned in section 8 of the Act) shall no longer be of effect, subject always to article Article 75.

THE SCHEDULE

1. The name of the Association is "Carlisle Diocesan Board of Finance Limited"
2. The Registered Office of the Association will be situate in England.
3. The objects for which the Association is established are as follows (that is to say):-

To promote and assist the work, objects and purposes of the Church of England for the advancement of the Christian religion in the Diocese of Carlisle, whatever for the time being shall be the area of the Diocese called the Diocese of Carlisle (hereinafter referred to as "the Diocese") and in particular to organise and provide funds for the following departments of the Church's work, viz:-

- (a) Training of candidates for the ministry, and of layworkers, whether male or female.
- (b) Maintenance and financial support and assistance of the ministry and of lay workers, whether male or female.
- (c) Provision of pensions for the ministry and for lay workers and including officers clerks servants of the Association whether male or female.
- (d) Provision for necessitous clergy and their dependants, and for necessitous lay workers, whether male or female, and their dependants, and for necessitous dependants of deceased clergy and of deceased lay workers, whether male or female.
- (e) Provision of all necessary offices for the purposes of the Association and of sites for the erection, equipment, improvement, endowment, maintenance, and repair of church buildings, mission rooms, church halls, church houses, parsonage houses, hostels, clergy houses, institutes, halls, refuges, clubs, houses, and other buildings whether temporary or otherwise to be used for or in connection with any of the objects of the Association.
- (f) Provision endowment and maintenance of a diocesan conference house.
- (g) Education in all its branches.
- (h) Provision of expenses of Diocesan and central organisations.
- (i) Such other objects and purposes as from time to time may be expedient for the better carrying forward of the Church's work, and to aid and further (in such manner as may from time to time be approved by a resolution of the Diocesan Synod of the Diocese), the objects and work of the Church of England in any part of England and Wales outside the Diocese or beyond the borders of England and Wales, or any Mission or Church or body of Christians in communion therewith within or beyond such borders.

4. The Association is empowered to:

- (a) To raise, expend, invest and accumulate funds and income for all or any of the purposes aforesaid, and from time to time to determine, or assist in determining, the proportions in which such funds ought to be contributed in the several deaneries of the Diocese, and in the several parishes of each deanery.
- (b) To enter into agreements with Associations (established for charitable purposes) and with other religious denominations (as may be required by the Diocesan synod) carrying out within or outside the Diocese, any charitable objects similar to any of the objects of the Association, and to delegate any of its powers as may from time to time be provided by the Articles of Association.
- (c) To enter into any arrangements with any Society or body having for the time being power to administer or apply any funds within the Diocese, or any part thereof (whether as part of a larger area or not) for any of the purposes for which the Association has power to administer or apply funds, with reference to any of the funds or property held by them respectively, or any of their powers, duties, or trusts, and in particular to take over, carry on or continue any of the powers, duties or trusts of any such body or society as aforesaid so far as the same are not already so taken over, but so always that the same are taken over, carried on or continued as

part of the charitable work or objects of the Church of England, and (as may be required by the Diocesan Synod) the charitable work or objects of other denominations.

- (d) To make grants or donations or annual payments or loans to any Association or body of persons established for charitable or religious purposes and having any charitable objects similar to any of those of the Association and whether in the Diocese or elsewhere.
- (e) To pay officers, clerks and servants of the Association, to make payment for insurance on their behalf, and to make provision for any person, or the dependants of any person, who is or has been in the employment of the Association.
- (f) To raise and borrow money at interest for the purposes of the Association, on such terms and on such security (if any) as may be determined, and in particular by an issue of debentures or debenture stock, redeemable or otherwise and to act as guarantors in respect of the raising of money for the advancement of any objects of the Association.
- (g) To acquire and sell, lease or otherwise deal with or dispose of houses and land of any tenure (subject to the provisions of section 36 of the Charities Act 1993) either in the name of the Association or in the name or names of a Trustee or Trustees for the Association.
- (h) To take over or co-operate with any organisation, other than those hereinbefore referred to, carrying on any religious or charitable work of the Church of England.
- (i) To manage or to organise or assist in the management of Glebe lands or any other ecclesiastical property (whether real or personal), and to collect or organise the collection of tithe rent charges, and to superintend or assist in the merger or redemption thereof, or any other dealings with ecclesiastical property which shall be for the benefit of the Church of England or of the Diocese or of any ecclesiastical institution or corporation (whether sole or aggregate) connected with the Diocese.
- (j) To accept property of any kind and in any form, whether real or personal to be held by the Association either alone or jointly with another or others, upon any charitable trusts, whether already existing or newly created, connected with the Church of England and the work thereof.
- (k) To apply, if the Association shall by Special Resolution so decide, for a Royal Charter, incorporating an Association having objects similar to those of the Association, and upon such incorporation to transfer and commit the property, work and objects of the Association to the Body incorporated by such Royal Charter.
- (l) (i) To provide indemnity insurance to cover the liability of the Directors (as defined in the Articles of Association):
 - (A) which by virtue of any rule of law would otherwise attach to them in respect of any negligence default breach of trust or breach of duty of which they may be guilty in relation to the Association:
 - (B) to make contributions to the assets of the Association in accordance with the provisions of Section 214 of the Insolvency Act 1986(ii) any such insurance in the case of (l)(i)(A) shall not extend to
 - (A) any liability resulting from conduct which the Directors knew or must be assumed to have known was not in the best interests of the Association or which the Directors did not care was in the best interests of the Association or not
 - (B) any liability to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Directors
 - (C) any liability to pay a fine

- (iii) any liability in the case of (l)(i)(B) shall not extend to any liability to make such a contribution where the basis of the Directors liability is his knowledge prior to the insolvent liquidation of the Association (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Association would avoid going into insolvent liquidation
- (m) To do all such other lawful things as are incidental or conducive to the attainment of all or any of the above-mentioned objects. Provided:-
 - (i) If the present area of the Diocese shall be altered the Association shall have power (in consultation with the Diocesan Synod) to apportion its funds and to appropriate different parts thereof towards the charitable work or objects of the Church of England in the several parts of the present area of the Diocese as may appear to the Association to be just. In the like event the Association shall be empowered to transfer to the appropriate authority all real property which does not lie within the remaining boundaries of such altered diocese;
 - (ii) The Association shall not support with its funds any object which, if pursued by the Association, would make it a Trade Union, or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which, if so imposed or observed, would make it a Trade Union;
 - (iii) In case the Association shall take or hold any property subject to the jurisdiction of the Secretary of State for Education and Skills or Charity Commissioners for England and Wales, the Association shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any property the Members, Managers or Trustees of the Association shall be chargeable for such property as may come into their hands, and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Members, Managers or Trustees have been if no incorporation had been effected, and the incorporation of the Association shall not diminish or impair any control or authority exercisable by the Chancery Division, the Department for Education and Skills or the Charity Commission over such Members, Managers or Trustees, but they shall as regards any such property be subject jointly and separately to such control and authority as if the Association were not incorporated;
 - (iv) In case the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with the same in such manner as allowed by law having regard to such trusts.
- (n) To provide, manage and maintain hostels, clubs and other institutions of a like nature, the facilities of which may be offered to the public generally without restriction and to obtain and provide funds for all or any such purposes or to assist in carrying into effect all or any of the aforementioned matters.
- 5. The income and property of the Association whencesoever derived shall be applied solely towards the promotion of the objects of the Association as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Association or to any of them. Provided that nothing shall prevent any payment in good faith:-
 - (i) of reasonable and proper remuneration to any officer or servant or to any member of the Association who is not also a director in return for any services actually rendered to the Association;
 - (ii) to Clerical members of the Association and Clerical directors of stipends, grants, pensions and benefits by way of maintenance or otherwise in accordance with those provisions, to or for the benefit of any class of clergy of the Church of England which includes or may include members of the Association and directors;
 - (iii) of interest on money lent by any member of the Association or director at a reasonable and proper rate per annum;

- (iv) or reasonable and proper rent for premises demised or let by any member of the Association or director;
 - (v) to any director of out-of-pocket expenses;
 - (vi) to any payment to any Company of which a director of the Association may be a member, and in which such member shall not hold more than one hundredth part of the capital, and such director shall not be bound to account for any share of profits he may receive in respect of any such payment;
 - (vii) of any premium in respect of any indemnity insurance to cover the liability of the Directors which, by virtue of any rule of law otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Association: Provided that any such insurance shall not extend to any claim arising from liability resulting from conduct which the Directors knew or must be assumed to have known, was not in the best interests of the Association, or which the Directors did not care whether it was in the best interests of the Association or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the Directors;
 - (viii) nothing herein contained shall prevent the Registrar of the Diocese, if a member of the Association or a director, from receiving and being paid all fees and other payments which the Association is properly liable to pay to the Registrar in respect of work done by the Registrar, but the Registrar shall not be entitled to be present at any discussion regarding the payment or provision of such fees or other payments, or to vote on the same;
 - (ix) if any member of the Association or director has any pecuniary interest, direct or indirect in any proposal laid before the Association or other matter relative thereto and is present at a meeting of the Association at which the proposal or other matter relative thereto is the subject of consideration, he shall at the meeting, as soon as practicable after the commencement thereof, disclose the fact, and shall not take part in the consideration or discussion of, or vote on any question with respect to the proposal or other matter relative thereto provided that nothing herein contained shall prevent the clerical members or directors of the Association from being present, from taking part in any discussions or from voting on the payment or provision made in good faith of stipends, grants, pensions and benefits by way of maintenance or otherwise in accordance with these provisions to or for the benefit of any class of clergy of the Church of England which includes or may include members and directors of the Association; and the clerical members of the Association may be paid and receive such stipends, grants, pensions and benefits
6. Every member of the Association undertakes to contribute to the assets of the Association, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Association contracted before the time at which he ceases to be a member, and of the costs, charges, and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding one pound, or in the case of his liability becoming unlimited, such other amount as may be required in pursuance of the last preceding paragraph of this memorandum.
7. If upon the winding up or dissolution of the Association there remains after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Association, but if and so far as effect can be given to the next provision shall be given or transferred to some other charitable institution or institutions having objects similar or cognate to the objects of the Association, and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Association under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Association (with the approval of the Diocesan Synod) at or before the time of dissolution, or in default thereof by such judge of the High Court of Justice as may have or acquire jurisdiction in the matter and if and so far as effect cannot be given to such provision then to some charitable object in connection with the Church of England, as may be approved by the Diocesan Synod.
8. True accounts shall be kept of the sums of money received and expended by the Association, and of the matters in respect of which such receipt and expenditure take place, and of the property, credits and liabilities of the Association, and subject to any reasonable restrictions as to the time and matter of inspecting the same that may be imposed in accordance with the regulations of the Association for the time being such accounts shall be open to the inspection of the members. Once at least every year the