

# **Catholic Charities USA Bylaws**

## **Article I**

### **Establishment and Purpose**

#### **Section 1. Establishment**

Catholic Charities USA (“CCUSA”) is a Virginia nonstock corporation established January 10, 2013. CCUSA's predecessor, Catholic Charities USA, a District of Columbia nonprofit membership association, was established on July 5, 1950, and originally established in 1910 as National Conference of Catholic Charities, an incorporated association. An Article of Amendment changing the name was approved by the District of Columbia on March 11, 1986. CCUSA is organized and operated exclusively for religious, educational, scientific and charitable purposes within the meaning of sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the “Code”) including, but not limited to, those purposes set forth in the Articles of Incorporation. Its principal office is located at 2050 Ballenger Avenue, Suite 400, Alexandria, VA, 22314 or such other place as the Board of Trustees (the “Board”), as defined in Article III below, may approve. Members of the Board are sometimes referred to herein individually as a “Trustee” and collectively as “Trustees.”

#### **Section 2. Purpose**

The purposes of CCUSA as stated in its Articles of Incorporation are to provide a forum for discussing the application of Catholic thought, principles and practices as prescribed by the Catholic Church in the general field of social welfare and to stimulate action, research, and the publication of materials in this field.

As a national Catholic membership organization, CCUSA will provide programs and services to its Members (as defined in Article II) in witness to the mission of Jesus given to the Catholic Church. Through Catholic teachings, educational, scientific and charitable activities, CCUSA shall seek to enable the delivery of quality social services by its Members, to convene the Catholic community and all people of good will for reflection and action, to build a just and compassionate society, to reduce poverty, and to conduct any other activity permissible under the laws of the Commonwealth of Virginia or Section 501(c)(3) of the Code.

#### **Section 3. Prohibited Activities**

The activities of CCUSA shall be restricted in accordance with the following:

- A. At no time shall CCUSA engage in or carry on any activities that are unlawful under the laws of the United States, the Commonwealth of Virginia, or any other jurisdiction where any of its activities may be conducted.
- B. No part of the assets or the net earnings of CCUSA shall ever be used, nor shall CCUSA ever be organized or operated, for purposes that are not exclusively religious, scientific, educational, or charitable within the meaning of Section

501(c)(3) of the Code. Pursuant to the prohibition contained in said section or related provisions under the Code, no part of the assets or net earnings, current or accumulated, of CCUSA shall inure to the benefit of any private individual.

C. CCUSA shall not carry on propaganda or otherwise attempt to influence legislation to an extent that would jeopardize its tax-exempt status under Section 501(c)(3) of the Code. Nor shall CCUSA, directly or indirectly, participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

#### **Section 4. Fiscal Year**

The fiscal year of CCUSA shall end on June 30 or such other twelve month period as the Board may approve.

### **Article II Membership**

#### **Section 1. Members**

A “Member” is an agency, organization, corporation, or association of persons that (i) is supportive of the purposes and activities of CCUSA, (ii) completes the membership procedures set by the Board from time to time, (iii) is accepted by the Board, (iv) complies with any membership requirements adopted by the Board from time to time, and (v) pays the dues prescribed by the Board. Members are sometimes referred to in these Bylaws as “Agency Members.” The qualifications for an Agency Member are as follows:

“Agency Member” is a Diocesan Catholic Charities agency that pays dues directly to CCUSA. A Diocesan Catholic Charities agency is defined for purposes of these Bylaws as a Catholic Charities agency associated with a diocese of the Catholic Church. An Agency Member's Vote shall be cast by its Diocesan Director or equivalent position.

#### **Section 2. Rights and Benefits of Members; Relationship to CCUSA**

A. Agency Members shall have the right to participate in CCUSA transformative initiatives, convenings, national intermediary sub-grants, advocacy and social policy support, research, programs, professional development trainings, sections and networks, and such other additional or lesser rights and benefits as may be conferred upon them by the Board from time to time.

B. Members shall have no role in the day-to-day operations of CCUSA, shall not attempt to influence, direct or control the employees of CCUSA, and shall not be entitled to vote, except as expressly set forth in these Bylaws or as required by law. Membership

in CCUSA is a membership in a national membership association and creates no other legal rights. CCUSA does not and will not own, control, intervene in the affairs of or otherwise direct the operations or decision-making of any Member.

### **Section 3. Annual Dues**

The annual dues of each Member shall be in such amount as shall be fixed and determined from time to time by the Board.

### **Section 4. Annual Meeting**

Pursuant to Section 13.1-838 of the Code of Virginia (1950) (the “Virginia Code”) or in any amended or successor provision in the Virginia Code, CCUSA shall hold an annual meeting of the Members at such time and at such place, in or out of the Commonwealth of Virginia, as the President may determine. Notice of the annual meeting of the Members shall be given to the members not less than ten (10) days before the meeting date, except as otherwise provided in Section 13.1-842 of the Virginia Code or in any amended or successor provision in the Virginia Code. In order to attend the annual meeting of the Members, each Member must be in good standing as defined in Section 5 below and complete the registration requirements established by CCUSA for each annual meeting of the Members.

### **Section 5. Member Good Standing**

A Member shall be considered in good standing if it is current in the payment of its membership dues and currently complies with the other requirements of membership pursuant to Section 1 of this Article II.

### **Section 6. Termination of Membership**

The Board, in its sole discretion, shall have the power to terminate a Member's membership in CCUSA. In making this determination, the Board shall consider all relevant factors, including compliance with Member requirements and good standing. The Board shall provide thirty (30) days' notice to such Member that its membership will terminate at the end of the thirty (30) days' notice period. The Member considered for termination shall have an opportunity to present to the Board prior to the end of the notice period a written statement why the Member believes its membership should not be terminated. A terminated Member may apply for readmission to membership not sooner than twelve (12) months from the date of termination.

## **Article III Board of Trustees**

### **Section 1. Establishment**

There shall be a Board of Trustees (the “Board”), which shall have the responsibility to set the policies and priorities and to manage the affairs of CCUSA. The Board is referred to as a Board of Directors in the Articles of Incorporation.

## **Section 2. Responsibility for Affairs of Catholic Charities USA**

The Board has the following responsibilities and the relevant powers under the laws of the Commonwealth of Virginia to carry them out: preserve the mission of CCUSA; approve and monitor the strategy of CCUSA to carry out activities in furtherance of its purposes, including undertaking joint ventures with other entities; set organizational policies; approve Members; select, evaluate and remove the President and Chief Executive Officer of CCUSA; form wholly-owned entities to conduct activities of CCUSA; oversee national initiatives and programs; receive and allocate funds to advance Board-approved programs; and ensure compliance with laws, donor intentions and ethics in furtherance of the mission. Unless otherwise expressly stated in these Bylaws, an affirmative vote of a majority of the then current Voting Trustees shall be required for any Board action.

## **Section 3. Composition of the Board of Trustees**

The Board shall consist of voting and non-voting Trustees. Not more than twenty-one (21) and not less than seventeen (17) Trustees (including the immediate past Chairperson of the Board) shall be entitled to vote on matters (“Voting Trustees”). There shall be a maximum number of ten (10) Trustees not entitled to vote on Board matters (“Non-Voting Trustees”). The Voting Trustees shall be chosen by a majority vote of the Voting Trustees then duly elected and in office. The Board shall be constituted so that there shall always be a majority of Independent Trustees serving as Voting Trustees. The Board shall include:

### **A. Voting Trustees.**

There shall be two categories of Voting Trustees, with equal voting rights, as follows:

- i. “Diocesan Trustees” who shall comprise no fewer than eight (8) Trustees nominated by the Council of Diocesan Directors, as defined in Article IX, elected as set forth in Section 4 below. For purposes of these Bylaws, “Diocesan Trustees” are those Trustees who are Diocesan Directors.
- ii. “Independent Trustees” nominated by the Governance Committee and elected as set forth in Section 4 below. For the purposes of these Bylaws, “Independent Trustees” are those Trustees who are not Diocesan Trustees and may include persons who have no affiliation with an Agency Member.

### **B. Non-Voting Trustees.**

- i. The President and CEO of CCUSA will serve as an *ex officio*, Non-Voting Trustee.
- ii. The Episcopal Liaison, as duly designated under Article IV of these Bylaws, will serve as an *ex officio*, Non-Voting Trustee.

C. Participating Observers. The Board may invite Participating Observers to attend its meetings. "Participating Observers" are separately incorporated colleague organizations or groups that participate in Board meetings for the purpose of promoting communication and dialogue with CCUSA. Participating Observers and their designated representatives shall (i) not be deemed to be Trustees for any purpose, (ii) have no voting rights, (iii) serve at the discretion of the Board, and (iv) not participate in executive sessions of the Board.

#### **Section 4. Nomination and Election of Voting Trustees; Participating Observers**

Voting Trustees are elected by a majority vote of the Voting Trustees then in office, consistent with the following:

A. The Governance Committee will serve as the nominating committee for all Trustees and will recommend the election of Trustees to the Board; provided, that with respect to Diocesan Trustee nominations, those shall be made to the Governance Committee by the Council of Diocesan Directors subject to a determination by the Governance Committee that each such nominee meets the requirements set forth in (D) below; and provided further, that the Council of Diocesan Directors shall nominate two candidates for each open Diocesan Trustee seat.

B. The Governance Committee shall maintain a profile of competencies required to effectively govern CCUSA. Competencies are technical skills, attributes or characteristics that enable individuals to provide superior oversight of the corporation while working effectively within the community of the Board in the discretion of the Governance Committee.

C. The election of Trustees shall take place at each June meeting of the Board, at a special meeting of the Board called for such purpose, or when a vacancy occurs on the Board. Persons elected at such meeting shall assume their seat on the Board effective as of the conclusion of such meeting. The Board may conduct a formal installation ceremony at the annual meeting of the Members for newly elected Trustees; however, newly elected Voting Trustees shall have full voting rights effective at the conclusion of the meeting at which they are elected.

D. All nominees shall possess the competencies required for CCUSA governance determined pursuant to (B) above. The total Board composition will include a broad range of competencies that will support its fiduciary and strategic accountability to CCUSA.

E. With respect to Participating Observers, the President and CEO of CCUSA shall recommend to the Voting Trustees entities to serve as Participating Observers, taking into consideration such matters as entities with whom CCUSA has or would like to develop a partnering arrangement, diverse voices within the Catholic community, and such other considerations as the President and CEO deems appropriate. The Voting Trustees shall approve such recommendations by majority vote; provided, that in no event

may there be more than eight (8) Participating Observers on the Board at any time.

#### **Section 5. Terms of Office for Trustees**

Subject to Article V, Section 3 below, the term of office for (i) Independent Trustees shall be three years, with a limit of three consecutive terms, and (ii) Diocesan Trustees shall be three years, with a limit of two consecutive terms. One full year must elapse before a Voting Trustee shall be eligible for reelection. The immediate past Chairperson shall serve contemporaneous with the term of his/her successor as Chairperson. The President and CEO shall serve for a term contemporaneous with his/her term as President and CEO, and the Episcopal Liaison shall serve for so long as he/she is appointed by the USCCB pursuant to Article IV below.

#### **Section 6. Vacancies**

Any Voting Trustee vacancy occurring on the Board may be filled by majority vote of the Voting Trustees at any regular or special meeting of the Board. If the vacancy is that of a Diocesan Trustee, the Governance Committee will consult with the Council of Diocesan Directors during the nomination process.

A Voting Trustee elected to fill a vacancy shall serve for the unexpired term of his/her predecessor in office. For the purposes of Section 5 above, this unexpired term shall not be considered the first of consecutive terms for the replacement Trustee if it is less than two (2) years.

#### **Section 7. Meetings of the Board of Trustees**

The Board shall meet not less than twice each year. One meeting shall take place in June and a second meeting shall take place during the annual meeting of the Members. No Voting Trustee shall be allowed to send an alternate in her or his place.

#### **Section 8. Compensation and Reimbursement**

Trustees shall receive no compensation for their services; however, any reasonable expenses related to their attendance at regular or special meetings of the Board (including transportation, rooming and reasonable meal expenses) shall be reimbursed by CCUSA.

#### **Section 9. Quorum**

The presence of a majority of the Voting Trustees of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. Participation in Board meetings by telecommunications shall be permitted, as long as all persons participating in the meeting are able to hear one another. Proxy voting shall not be permitted.

## **Section 10. Guests**

The Chairperson may invite guests to attend all or any portions of Board meetings if the Chairperson reasonably believes it is in the best interests of the Board and of CCUSA to do so. Such guests may include, by way of example only, CCUSA's outside legal counsel or recognized authorities on specific matters that the Board is considering.

## **Section 11. Gifts**

The Board may accept on behalf of CCUSA any contribution, gift, bequest, or devise for any purpose of CCUSA.

## **Section 12. Notice; Waiver of Notice**

Notice of all meetings of the Board shall be given at least five days before the meeting by written notice delivered personally, by regular mail, facsimile transmission, or electronic mail to each director at his or her address as shown on the records of CCUSA. Notice of meetings shall specify the date, place, time and agenda of the meeting. Such notice may be waived by any director by a waiver signed before or after the meeting by the person or persons entitled to the notice, or shall be deemed waived if such director is present at such meeting.

## **Section 13. Actions by Written Consent**

Any action required or permitted to be taken under these Bylaws or the laws of the Commonwealth of Virginia at a meeting of the Board may be taken without a meeting if each of the directors at the time in office consents by a writing, e-mail, or facsimile to the action to be taken and the consents are filed with the secretary.

## **Section 14. Removal of a Trustee**

If any Voting Trustee is absent without cause (as determined by the Chair) from two (2) consecutive meetings or four (4) total meetings during any three (3) year term, then the Chair may recommend to the Governance Committee that it vote to declare the position vacant, at which time the Voting Trustee shall be replaced in accordance with Section 6, above. The Governance Committee shall promptly report any affirmative action to declare a Voting Trustee's position vacant to the full Board. If any Voting Trustee takes any public action that materially adversely impacts the reputation, public image, or mission of CCUSA, then upon the recommendation of the Governance Committee to the Voting Trustees and a two-thirds (2/3) affirmative vote of the Voting Trustees (excluding the person who is the subject of the vote), such person shall be removed from the Board and shall be replaced in accordance with Section 6, above. If a Diocesan Trustee ceases for any reason to be a Diocesan Director, then immediately upon the termination of such Diocesan Trustee's position as a Diocesan Director, his or her position on the Board shall automatically be deemed to be vacant and such Diocesan Trustee shall be replaced in accordance with Section 6, above.

Article IV  
**Episcopal Liaison**

There shall be an Episcopal liaison to CCUSA from the USCCB. This person shall be appointed by the president of the USCCB and shall serve at the pleasure of that organization. This person shall serve as an ex officio, Non-Voting Trustee.

Article V  
**Officers of the Board of Trustees**

**Section 1. Establishment**

The Officers of the Board shall be the Chairperson, the Vice Chairperson, the Secretary and the Treasurer. The same person shall not hold more than one office.

**Section 2. Elections**

The Officers of the Board shall be elected from among the Trustees at the June meeting of the Board by a majority vote of the Voting Trustees. A slate of candidates shall be prepared by the Governance Committee from among the then-current Voting Trustees of the Board.

**Section 3. Term of Office**

The term of office for Officers of the Board shall be two years or until their successors have been elected or qualified. Officers of the Board may be elected to a second, consecutive one year term. Notwithstanding anything to the contrary in these Bylaws, the term of a Trustee who is also an Officer of the Board shall be extended automatically to be co-terminus with such Trustee's term as an Officer.

**Section 4. Removal of Officers**

Any Officer of the Board may be removed by a vote of two-thirds (2/3) of the Voting Trustees whenever in their judgment CCUSA's best interests would be served by such removal.

Article VI  
**Duties of Board Officers**

**Section 1. The Chairperson**

The Chairperson shall be the chief presiding officer of the Board and shall preside at the Annual Meeting of the Members of CCUSA, the Board, and the Executive Committee of the Board.

- A) The Chairperson shall appoint the various heads of the committees and task forces as authorized by the Board, unless otherwise provided for in these Bylaws. The Chairperson shall serve as an *ex officio* member of all committees created pursuant to Article VII,



except the Governance Committee, and shall have the powers and duties generally vested in the office of Chairperson in similar nonprofit corporations.

- B) The Chairperson and other persons duly authorized by the Board shall be empowered to sign all checks and pay all bills and accounts upon vouchers duly certified by the Chairperson or his/her designee. The Chairperson may also sign evidence of indebtedness and other instruments that have been authorized by the Board.

## **Section 2. Vice Chairperson**

The Vice Chairperson shall have such powers and perform such duties as may be assigned by the Chairperson. In the event of the death, disability, or absence of the Chairperson, the Vice Chairperson shall perform the duties of the Chairperson. The Vice Chairperson shall serve as the chairperson of the Governance Committee.

## **Section 3. Secretary**

The Secretary shall assure that the minutes of the meetings of the Members, the Board and the Executive Committee and the records of CCUSA are kept and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

## **Section 4. Treasurer**

The Treasurer shall bear responsibility for the funds, securities and investments of CCUSA. The Treasurer shall keep or cause to be kept the accounts of CCUSA and shall be responsible for receipts and disbursements.

A. The Treasurer and other persons duly authorized by the Board shall be empowered to sign all checks and pay all bills and accounts upon vouchers duly certified by the Chairperson or his/her designee. The Treasurer may also sign evidence of indebtedness and other instruments that have been authorized by the Board.

B. The Treasurer shall keep or cause to be kept an accurate account of receipts and expenditures of the Board and shall work with the chief financial officer of CCUSA to prepare and present a report of the financial status of CCUSA annually and whenever requested by the Chairperson of the Board. The accounts of the Board and of CCUSA shall be audited annually by an independent certified public accountant.

## **Section 5. Additional Powers and Duties**

The Officers of the Board shall have such additional powers and duties as may be conferred on them by the Board. The Board shall have the right to elect such other Officers as the Board believes is in the best interests of CCUSA.

## **Section 6. Vacancies**

A vacancy among the Officers shall be filled by majority vote of the Voting Trustees for the remainder of the unexpired term.

## Article VII Committees of the Board

### **Section 1. Establishment**

All Board committees and Board task forces shall be established by, and shall be accountable to, the Board. The Board shall develop and approve a charter for each committee and a set of policies governing the functioning of committees and task forces. The chair of each committee shall be a Board member and shall provide a report of the committee's actions at the next regularly scheduled meeting of the Board, together with such written materials as the Board may deem necessary or appropriate.

### **Section 2. Standing Committees**

There shall be an Executive Committee, a Governance Committee, a Finance Committee, and an Audit Committee. Each standing committee shall consist of at least three (3) Trustees; the chairs of all standing committees shall be Voting Trustees; and each standing committee shall be governed by a charter approved by the Voting Trustees. Service on a standing committee shall not extend the term of a Voting Trustee.

A. **Executive Committee.** The Executive Committee shall be chaired by the Chairperson and shall be composed of the Officers of the Board, the Chair-Elect (defined in Section 5 below) and two (2) additional Voting Trustees nominated by the Chairperson and approved by the Voting Trustees. The Executive Committee, on behalf of the Board, shall have the power to transact such business as may be required between Board meetings. All transactions of the committee shall be reported in full at the next regularly scheduled meeting of the Board for appropriate action by oral report of the committee chairperson, together with such written materials as the Chairperson may request or the committee chairperson may deem necessary or appropriate. The Executive Committee also shall function as the human resources committee of the Board. In such capacity, the Executive Committee shall annually review the human resources policies of CCUSA.

B. **Finance Committee.** The Finance Committee shall be chaired by the Treasurer of the Board and shall consist of not less than four (4) additional members appointed by the Chair of the Board. Members of the Finance Committee need not be members of the Board; however, at all times a majority of the members of the Finance Committee shall be Voting Trustees. The Finance Committee shall be responsible for reviewing and recommending to the Board for approval an annual budget, monitoring revenues, investments and expenditures, and overseeing the management, spending and investing of all funds and donations.

C. **Governance Committee.** The Governance Committee shall be chaired by the Vice Chair of the Board and shall consist of five (5) Voting Trustees selected by the Board. In addition, the Governance Committee shall include as non-voting members the Chairperson of the Board and the President and Chief Executive Officer of CCUSA. The Governance Committee shall be responsible for the cultivation, recruitment, and nomination of Trustees. It shall also be responsible for ongoing Board development activities, Board assessments, and for ensuring the effective functioning of the Board.

D. **Audit Committee.** The Audit Committee shall be chaired by a Voting Trustee (who shall not be the Treasurer) appointed by the Chairperson. The Audit Committee shall consist of not less than four (4) other persons, one of whom shall be a Voting Trustee and each of whom shall be independent of management and CCUSA, shall be responsible for assisting the Board in fulfilling its oversight responsibilities relating to CCUSA's financial statements, corporate compliance and integrity activities, the system of internal accounting and financial controls, and financial reporting, including compliance with legal, tax, accounting and other regulatory financial reporting. It shall also be responsible for evaluating the adequacy and effectiveness of the systems of control and the audit and internal audit activities and accepting the completed audit of the financial statements on behalf of the Board and presenting the audited financial statements to the Board. The Audit Committee shall cause an annual audit to be prepared by a certified public accountant not later than one hundred twenty (120) days after the end of each fiscal year. The Audit Committee may serve or commission others to serve in an investigative role on matters of financial integrity.

E. **Quorum.** At all regular or special meetings of the standing committees, a majority of the committee members shall constitute a quorum for the transaction of business. Participation by telecommunications shall be permitted, as long as all persons participating in the meeting are able to hear one another. Proxy voting shall not be permitted.

F. **Actions by Written Consent.** Any action required or permitted to be taken under these Bylaws or the laws of the Commonwealth of Virginia at a meeting of a standing committee may be taken without a meeting if each of the members of the standing committee at the time in office consents by a writing, e-mail, or facsimile to the action to be taken and the consents are filed with the chairperson of the standing committee.

G. **Committee Vacancies.** Vacancies on Board committees shall be filled by appointment by the Chair of the Board for the duration of the unexpired term.

### **Section 3. Other Committees**

Other committees may be established by the Voting Trustees as deemed desirable or necessary.

#### **Section 4. Task Forces.**

Either (i) the Voting Trustees, by resolution adopted by majority vote of the Voting Trustees, or (ii) the Chairperson, at her or his discretion, may designate such task forces as the Board or Chair may from time to time determine to be in the best interests of CCUSA. The Chairperson shall appoint Trustees to serve on any such task forces. Non-Trustees may serve on task forces.

#### **Section 5. Chair-Elect.**

The Governance Committee shall nominate a Voting Trustee to serve as Chair-Elect, which nomination shall require the approval of the Voting Trustees by majority vote. Such nomination and vote shall occur at the June meeting of the Board one year prior to the end of the then-serving Chairperson's term. The Chair-Elect shall serve a one-year term on the Committee and shall not be deemed to be an Officer of the Board. The Chair-Elect shall automatically succeed the then-serving Chairperson of the Board upon the completion of the Chairperson's term unless (i) a Voting Trustee makes a motion to not have the Chair-Elect become Chairperson prior to the end of the June meeting at which the Chair-Elect otherwise would become Chairperson and (ii) such motion is approved by two-thirds of the Voting Trustees. If such a motion is passed as set forth above, then the Voting Trustees shall select a Chairperson from among them by majority vote prior to the end of said meeting.

### Article VIII **The President and CEO**

#### **Section 1. Establishment**

There shall be a President and Chief Executive Officer ("CEO") of CCUSA hired by the Board in accordance with the personnel policies and practices of CCUSA as the same shall be in effect from time-to-time. The President shall be the CEO of the corporation and shall report directly to the Chairperson. The President and CEO may be removed at any time only upon a majority vote of the Voting Trustees.

#### **Section 2. Duties**

The President and CEO shall be responsible to the Board for the management and administration of the daily affairs and operations of CCUSA, and for implementing the decisions, policies and directives of the Board. He or she shall be responsible for hiring and terminating senior Officers of CCUSA as he or she deems necessary or appropriate for the ongoing operations of CCUSA, including but not limited to a chief financial officer, a chief administrative or operating officer, a head of human relations, and all vice-presidents, each of whom shall have such duties and responsibilities as the President and CEO shall designate.

The President and CEO shall attend all Board meetings; provided that the Board may hold executive sessions either with or without the President at the discretion of the Board. Not

less frequently than once each fiscal year, the President and CEO shall submit a comprehensive annual report, which shall include, among other things, proposed major activities, any legal proceedings involving CCUSA, and any material agreements of CCUSA, as required by the Board. The performance of the President and CEO will be reviewed annually by the Executive Committee, which also will determine the compensation of the President and CEO, subject to the approval of the Voting Trustees. Such annual evaluation shall be conducted and presented to the President and CEO by the Executive Committee.

## Article IX **Council of Diocesan Directors**

The chief executive of all Agency Members in good standing shall be members of the Council of Diocesan Directors. The Council of Diocesan Directors shall elect its leadership and be the vehicle to identify and recommend to the Governance Committee candidates for the Diocesan Trustees of the Board. While the Council of Diocesan Directors has no governance or management responsibilities with respect to CCUSA, it should provide input and coordination between CCUSA and the Agency Members. The Council of Diocesan Directors shall meet every spring as well as at the annual meeting of the Members.

## Article X **Sections**

### **Section 1. Establishment**

The Board may establish professional development sections (each a “Section” and collectively, the “Sections”) as it deems desirable. Each Section shall operate pursuant to a charter approved by the Board. The Board may terminate a Section or amend, revise or revoke its charter if it deems such an action necessary or appropriate.

### **Section 2. Purpose**

The purpose of a Section shall be to promote professional development, collaboration among Agency Members, and networking among the chief executives of Agency Members.

### **Section 3. Rules and Procedures**

The Board shall adopt rules and procedures governing the formation, operation, and dissolution of Sections, and such rules and procedures shall be set forth in the charter of each Section.

## Article XI **Indemnification**

Reference is hereby made to Article 9 of the Virginia Nonstock Corporation Act (the “Act”), as amended (or any successor provision thereto). CCUSA shall indemnify each person who may be indemnified (the “Indemnitees”) pursuant to the Act to the fullest extent permitted by

law at such time and from time to time. To the extent not prohibited by the Act, the Indemnitees shall not be liable to CCUSA except for their own gross negligence, willful misconduct, actions taken in bad faith, or actions which such person had reasonable cause to believe were unlawful. CCUSA shall purchase and maintain liability insurance on behalf of any person who is or was a Trustee, Officer, employee, or agent of CCUSA or who, while a Trustee, Officer, employee, or agent of CCUSA, is or was serving any entity at the request of CCUSA, and in any capacity, against any liability, asserted against and incurred by such person in any such capacity or arising out of such person's position, whether or not CCUSA would have the power to indemnify him or her against such liabilities under the Act or otherwise, until conviction or final judgment against such person and excluding claims of fraud.

## Article XII **Conflict of Interest**

CCUSA hereby ratifies the “Conflict of Interest” policy attached as Exhibit A, as such policy may be amended, modified or replaced from time to time by the Board upon the recommendation of outside legal counsel.

## Article XIII **Dissolution**

Upon dissolution of CCUSA, the Board shall, after payment of or due provision for all liabilities of CCUSA, dispose of all of the remaining assets exclusively for and in accordance with CCUSA's exempt purposes within the meaning of Section 501(c)(3) of the Code or to one or more entities listed in the then-current edition of The Official Catholic Directory, or such other organization or organizations organized and operated exclusively for religious, charitable, educational or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Code, as the Board shall determine. Any such assets not so disposed of by the Board shall be disposed of by a court of competent jurisdiction for the Commonwealth of Virginia exclusively for such purposes or to such organization or organizations, as said court shall determine that are organized and operated exclusively for charitable purposes.

## Article XIV **Amendments**

Except as expressly set forth below, these Bylaws may be amended by a majority vote of the Board. Notwithstanding the foregoing, the following provisions may be amended only by a majority vote of Agency Members:

- Article I, Section 2, Purpose;
- Article II, Membership;
- Article III, Section 3 (Composition of the Board of Trustees);
- Article III, Section 4 (Election and Nomination of Trustees);
- Article III, Section 5 (Terms of Office for Trustees);

- Article III, Section 8 (Compensation and Reimbursement); and
- Article IX, Council of Diocesan Directors.

With respect to the provisions listed immediately above, the Agency Members shall vote on any such amendment by paper ballot, in a manner approved by the Board, provided that the proposed amendments be first presented at the annual meeting of the Members for comment and debate, and further provided that copies of the amendments and the ballot shall be delivered, in a format approved by the Board, to the Agency Members not less than thirty (30) days prior to the date on which the ballots will be counted. An amendment may be offered by the Board or by any Agency Member (but solely with respect to the provisions listed in the bullet points above in the case of an Agency Member). An amendment to the provision listed above shall be considered adopted if a majority of Agency Members voting by ballot vote in favor of the amendment. A copy of any amendments adopted by the Board shall be promptly provided to the Members.