

**UNIVERSITY OF EDINBURGH  
USA DEVELOPMENT TRUST, INC.**  
(a Virginia nonstock corporation)

**ARTICLES OF INCORPORATION  
AND BYLAWS  
AS OF MARCH 6, 2008**

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**ARTICLES OF INCORPORATION**  
**OF THE**  
**UNIVERSITY OF EDINBURGH USA DEVELOPMENT TRUST, INC.**

TO: State Corporation Commission of Virginia  
Richmond, Virginia

The undersigned natural person being of age twenty-one years or more, acting as incorporator of a nonstock, nonprofit corporation, adopts the following articles of incorporation for such corporation pursuant to the Virginia nonstock Corporation Act.

**FIRST:** The name of this corporation (hereinafter sometimes referred to as the “Corporation”) is the University of Edinburgh USA Development Trust, Inc.

**SECOND:** The Corporation shall be organized and operated exclusively for charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, as amended. Solely in furtherance thereof, the Corporation shall support and advance, both in the United States and in Scotland, the charitable and educational purposes of the University of Edinburgh located in Edinburgh, Scotland, United Kingdom and to engage in other and additional charitable, scientific, and/or educational activities within the meaning of IRC §§170(c)(2)(B), 501(c)(3), 2055(a)(2), and 2522(a)(2).

**THIRD:** The Corporation is a nonstock corporation, has no authorized capital, and is not organized for private profit. The Corporation shall not have members.

**FOURTH:** The initial Board of Directors shall have two members. The names and addresses of such initial directors are as follows:

Edwin J. Feulner, Jr.  
6216 Berkeley Road  
Alexandria, Virginia 22307

Robert H. Spiro, Jr.  
5821 Colfax Avenue  
Alexandria, Virginia 22311

Each individual named above consented to serve as an initial director of the Corporation and be named as such in these articles of incorporation.

The By-Laws shall fix the number of directors and prescribe the terms of service and the procedures for nominations and election of the Board of Directors who shall serve upon the expiration of the term of the initial Board of Directors. The term of the

initial Board of Directors shall expire upon the nomination, qualification and election of their successors by the Board of Directors.

**FIFTH:** Pursuant to Section 13.1-865 of the Virginia Nonstock Corporation Act, any action required by that Act to be taken at any meeting of the Board of Directors or any action that may be so taken by a telephonic meeting of the directors or may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the directors entitled to vote with respect to the subject matter thereof. Such telephonic meeting, or meeting by consent, shall have the same force and affect as a meeting in person.

**SIXTH:** The Corporation shall have perpetual existence. Upon its dissolution, the net assets remaining after the payment of debts or obligations shall be distributed for exclusively charitable purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code.

**SEVENTH:** Special provisions for the regulation of the internal affairs by the Board of Directors include:

(a) No power may be exercised by the Board of Directors to issue certificates of stock or to pay dividends in any form;

(b) To elect, pursuant to the By-Laws, such individuals to such offices who shall exercise such general or special powers and duties, and have such special titles, in connection with their administration of the Corporation, as the laws of Virginia permit:

(c) To make, alter or repeal the By-Laws of the Corporation;

(d) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and expend its funds in furtherance of charitable purposes. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (or corresponding provision of any further United States Internal Revenue Law) or (2) by a corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code (or corresponding provisions of any future United States Internal Revenue Law).

In furtherance and not in limitation of the rights, powers, privileges and discretionary authority granted or conferred by the laws of the Commonwealth of Virginia, the Board of Directors is empowered to manage all the activities and affairs of the Corporation.

**EIGHTH:** The By-Laws of the Corporation shall provide that Directors may hold their meetings, keep the corporate books, documents and papers outside the Commonwealth of Virginia, and hold such meetings as may be necessary or appropriate under the circumstances at such places within or without the Commonwealth of Virginia as the Board of Directors may from time to time determine.

**NINTH:** The address of the registered office of the Corporation in the Commonwealth of Virginia, which is located in the City of Alexandria, is 6216 Berkeley Road, Alexandria, Virginia 22307. The name of its registered agent at such address is Edwin J. Feulner, Jr. Said individual is a resident of the Commonwealth of Virginia and a member of the Corporation's Board of Directors.

I, the undersigned, being the incorporator named below, for the purpose of forming a corporation pursuant to the Nonstock Corporation Act of the Commonwealth of Virginia, do make this Certificate of Incorporation declaring and certifying that this is my act and that the facts stated herein are true and accordingly I have set my hand on the 1ST day of October, 1992.

Edwin J. Feulner, Jr.

Incorporator

**Reflects All Amendments  
through March 6, 2008**

**BYLAWS**  
**OF THE UNIVERSITY OF EDINBURGH USA DEVELOPMENT TRUST, INC.**

**ARTICLE I: Name and Offices**

**Section 1. Name.**

The name of the corporation is the UNIVERSITY OF EDINBURGH USA DEVELOPMENT TRUST, INC. (hereinafter the "Corporation").

**Section 2. Offices.**

The principal office of the Corporation shall be in the Commonwealth of Virginia, and the Corporation may have such other offices in such other places as may be designated by the Board of Directors.

**ARTICLE II: Purposes**

The purposes of the Corporation shall be as stated in its Articles of Incorporation.

**ARTICLE III: Membership**

**Section 1. Members.**

The Corporation shall have no members.

**ARTICLE IV: Board of Directors**

**Section 1. General Powers.**

The Board of Directors shall have supervision, control and direction of the affairs of the Corporation shall determine its program and management policies within the limits of the Articles of Incorporation and the By-Laws shall actively prosecute its purposes and shall have discretion in the disbursement of its funds. It may adopt such rules and regulations for the conduct of its business as shall be deemed advisable and may, in the execution of the powers granted, appoint such agents as it may consider necessary.

## **Section 2. Term and Service of Directors.**

The term of office of the directors shall be three (3) years, and to the extent practicable, the terms of directors shall be staggered so that approximately one-third of the directors are elected each year.

## **Section 3. Successor Directors, Number of Directors, etc.**

The number of directors shall be seven (7). A director shall, upon election, immediately enter upon the performance of his or her duties and shall continue in office until a successor is elected and qualified, or unless the director resigns, is removed, or is otherwise unable to fulfill an unexpired term.

## **Section 4. Nominations.**

The members of the Board of Directors, or a Nominating Committee thereof, shall name candidates for election to the Board of Directors and the officers.

## **Section 5. Election of Directors.**

Directors shall be elected by the members of the Board of Directors at the annual meeting of the Board of Directors (or at a special meeting of Board of Directors called to fill a vacancy).

## **Section 6. Increase or Decrease in Number.**

The number of directors fixed by these By-Laws may be increased or decreased from time to time by two-thirds ( $\frac{2}{3}$ ) vote of the members of the Board of Directors consistent with the laws of the Commonwealth of Virginia, except that no reduction in the number of directors fixed by these By-Laws shall be effective to reduce the term of a director previously elected.

## **Section 7. Compensation.**

Directors shall be entitled to receive reasonable compensation and reimbursement of reasonable expenses for their services as directors, and the Board may by resolution authorize an annual payment, a per meeting payment, or both. Nothing in these By-Laws is intended to preclude a director from serving the Corporation in any other capacity including as an employee and receiving compensation for such services.

## **Section 8. Resignation or Removal.**

Any director may resign at any time by giving written notice to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or, if no time is specified, at the time of acceptance thereof as determined by the Board. Directors may be removed, at any time and without cause, by majority vote of the members of the Board of Directors.



## **Section 9. Vacancies.**

Except as otherwise provided herein, any vacancy that may occur on the Board of Directors by reason of death, resignation, or otherwise may be filled by the remaining members of the Board of Directors for the unexpired term. In determining any matter before the Board of Directors, including quorum requirements, vacancies occurring on the Board of Directors shall be disregarded.

## **Section 10. Annual Meeting.**

The annual meeting of the Board of Directors shall occur upon designation by the Board of Directors by majority vote, or, if the Board of Directors has not designated, by the President. Notice of the annual meeting shall be signed by the Secretary (or other officer designated by the Board of Directors), and mailed to the last recorded address of each director at least five (5) days before the time appointed for the meeting.

## **Section 11. Special Meeting.**

Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or two directors. Notice of any special meeting shall be mailed to each director at the last recorded address at least two (2) days in advance, with a statement of time and place and information as to the subject or subjects to be considered.

## **Section 12. Quorum.**

Three (3) directors shall constitute a quorum for all meetings and, in case there be less than this number, the presiding officer may adjourn the meeting from time to time until a quorum is present. Proxies may not be used to establish a quorum.

## **Section 13. Order of Business.**

The order of business at all meetings shall be as determined best by the President or, if there shall be an objection, by majority vote of the members of the Board of Directors.

# **ARTICLE V: Officers**

## **Section 1. Elective Officers.**

The officers of this Corporation shall be elected by the Board of Directors and shall include a President, a Vice-President, and a Secretary-Treasurer. Elective officers shall be elected for one (1) year terms unless a greater or lesser term is designated by the Board of Directors, at the Corporation's annual meeting, or at a special meeting called for that purpose. Election shall be by a majority of the votes cast.

## **Section 2. Term.**

Each elective officer shall take office at the time he or she is elected and shall serve a one year term and thereafter, until his or her successor is duly elected and qualified, or the officer resigns, is removed, dies or becomes disabled.

## **Section 3. Vacancies.**

Vacancies in any office may be filled for the remainder of the term thereof by the Board of Directors at any regular or special meeting thereof.

## **Section 4. President.**

President shall be responsible for the management of the corporation and report to the Board of Directors. The President shall be the chief executive officer of the Corporation in carrying out the policies approved by the Board. The President shall have such other duties as may be prescribed by the members of the Board of Directors. In addition, the President shall preside at meeting of the Board of Directors and shall be an *ex-officio* member with vote on all committees of the directors.

## **Section 5. Vice-President.**

The Vice-President shall have such duties as are prescribed by the Board of Directors and shall undertake such assignments as directed by the President.

## **Section 6. Secretary-Treasurer.**

The Secretary-Treasurer shall keep an account of all moneys received and expended for the use of the Corporation, and shall make disbursements authorized by the Board; and shall deposit all sums in the bank or banks, or trust companies approved by the Board of Directors, and make a report at the annual meeting of the Board of Directors, or when called upon, by either. The Secretary-Treasurer shall give notice of and, unless unable to do so, shall attend all meetings of the directors of the Corporation, keep record of all proceedings, attest to documents and perform such other duties as are usual for such official or as may be duly assigned to him or her.

## **Section 7. Executive Director.**

At the discretion of the Board of Directors, an Executive Director shall be appointed and have such duties as are prescribed by the Board of Directors and such other duties as are common to such an office.

## **ARTICLE VI: Committees**

### **Section 1. Appointments.**

Except as provided in Section 2, the Chairman, subject to the approval of the Board of Directors, shall annually appoint such standing or special committees, or subcommittees, as may be required by the By-Laws or as may be necessary. The Chairman, subject to the approval of the Board of Directors, shall also appoint ad hoc committees or task forces as may be necessary.

### **Section 2. Executive Committee.**

There may be an Executive Committee of the Board of Directors, consisting of not less than three directors. The Executive Committee shall exercise the powers of the Board of Directors when the Board of Directors is not in session, reporting to the Board of Directors at its succeeding meeting any action taken. A majority of the sitting members of the Executive Committee shall constitute a quorum for the transaction of business.

## **ARTICLE VII: Fiscal Year**

The fiscal year shall be the calendar year.

## **ARTICLE VIII: Seal**

The Corporation shall have a seal of such design as the Board of Directors may adopt.

## **ARTICLE IX: Indemnification**

The Corporation shall provide for the assumption, payment or indemnification by the Corporation of its directors, officers or employees or former directors, officers or employees, against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding, in which they or any of them are made parties, or a party, by reason of having been directors, officers or employees of the Corporation. No indemnification shall be provided, however, in relation to matters as to which such director, officer or employee, or former director, officer or employee, shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or gross misconduct in the performance of his or her duty, or to such matters as shall be settled by agreement predicated on the existence of such liability for such gross negligence or gross misconduct.

## **ARTICLE X: Dissolution**

The Corporation shall use its funds only to accomplish its charitable objectives and purposes specified in these By-Laws, and upon dissolution, its funds shall be distributed in accordance with its Articles of Incorporation.

## **ARTICLE XI: Amendments**

These By-Laws may be amended at any time by majority vote of the members of the Board of Directors present at any duly constituted meeting thereof; provided, however, that a notice of any amendment proposed for consideration shall be made known to each member of the Board of Directors at least two (2) days prior to the date of the meeting, unless such requirement is waived.

## **ARTICLE XII: Conflicts of Interest Policy**

### **Section 1. Purpose.**

The purpose of this conflict of interest policy is to protect this Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Section 2. Definitions.**

#### **(a) Interested Person.**

Any director, officer or member of a committee with powers delegated by the Board, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **(b) Financial Interest.**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family, or has a family who has:

(i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation may be negotiating a transaction or arrangement. Compensation includes but is not limited to direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3 below, a person

who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

### **Section 3. Procedures.**

#### **(a) Duty to Disclose.**

In connection with any actual or potential conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board and committees considering the proposed transaction or arrangement.

#### **(b) Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

#### **(c) Procedures for Addressing the Conflict of Interest.**

(i) Any interested person may make a presentation at the Board or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote upon, the transaction or arrangement involving the potential conflict of interest.

(ii) The Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or committee shall determine whether the corporation can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **Section 4. Violations of the Conflict of Interest Policy.**

(a) If the Board or committee has reasonable cause to believe an individual has failed to disclose actual or potential conflict of interest, it shall inform the individual of the

basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the governing Board or committee determines that the individual has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Section 5. Records of Proceedings.**

The minutes of the Board and committees shall contain:

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict or interest was present, and the Board or committee's decision as to whether a conflict of interest in fact existed; and

(b) the names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Section 6. Compensation.**

(a) A member of the Board or committee who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that individual's compensation.

(b) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Section 7. Annual Statements.**

Each director, officer and member of a committee shall annually sign a statement which affirms that such person:

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and

(d) understands that the Corporation is charitable and in order to maintain its federal tax exemption must engage primarily in activities that accomplish one or more of its tax exempt purposes.

### **Section 8. Periodic Reviews.**

To ensure that the Corporation operates in a manner consistent with its tax exempt purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arms' length bargaining; and

(b) whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in prohibited private inurement, impermissible private benefit, or in an excess benefit transaction.

### **Section 9. Use of Outside Experts.**

When conducting the periodic reviews as provided for hereinabove, the Corporation may use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

## **CERTIFICATION**

I, R. Fenton-May, President of the University of Edinburgh USA Development Trust, Inc. (the "Corporation"), a Virginia nonprofit corporation, DO HEREBY CERTIFY that the foregoing is a true and correct copy of the Corporation's Articles of Incorporation and bylaws current as of the date hereof.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of the Corporation this 24th day of May, 2008.



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R. Fenton-May  
President