

ARTICLES OF ASSOCIATION

of

ADVICE DIRECT SCOTLAND LIMITED



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THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

**ADVICE DIRECT SCOTLAND LIMITED
(the "Company")**

Definitions and Interpretation

1. The structure of the Company consists of:-
 - (a) the MEMBERS – who have the right to attend the annual general meeting (and any extraordinary general meeting) and are empowered under the articles of association and the Companies Acts to participate in the running of the Company; in particular, the members may elect people to serve as directors and take decisions in relation to changes to the articles themselves.
 - (b) The DIRECTORS – who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Company; in particular, the directors are responsible for monitoring the financial position of the Company and the directors are also charity trustees.

2. In these articles

"the Act" means the Companies Acts 1985 and 2006; any reference in these articles to a provision of the Act shall be deemed to include any statutory modification or re-enactment of that provision for the time being in force.

"the Charities Act" means the Charities and Trustee Investment (Scotland) Act 2005 including any statutory modification or re-enactment of that provision for the time being in force.

"electronic communications" has the same meaning as is assigned to

that expression in the Electronics Communications Act 2000.

"the Operating Area" means throughout the UK.

"the Bureau" means the telephone and electronic citizens advice bureau operated by the Company.

Membership : eligibility

3. The subscribers to the memorandum of association and such other persons as are admitted to membership, in accordance with the articles of association of the Company in force from time to time shall be the members of the Company.
4. Membership shall be open to any individual (if aged 18 or over) who lives or works in the Operating Area.

Admission of members

5. An individual eligible for membership under article 4 who wishes to become a member shall lodge with the Company a written application for membership.
6. Anyone applying for membership shall submit to the Company such evidence in support of his/her application as the directors may reasonably require.
7. The directors shall be entitled to refuse to admit any individual to membership if in their opinion, acting reasonably,
 - (a) the individual has not, despite requests for him/her to submit appropriate evidence to the Company, satisfied the directors that he/she fulfils the relevant qualification for membership under article 4or
 - (b) the admission of that individual to membership would be likely to prejudice significantly the reputation and good standing of the Company and/or the Bureau within the Operating Area or would be likely to lead to significant disruption to the efficient conduct of general meetings of the Company.
8. If the directors exercise their entitlement under article 7 to refuse admission to membership, they shall notify the applicant in writing accordingly within a period of 21 days after the date on which the application was received by the Company, otherwise the applicant will become a member of the Company with effect from the expiry of said period.

Membership : cessation/withdrawal

9. Membership shall not be transferable and shall cease on death.
10. A member shall cease to be a member if he/she ceases to live or work in the Operating Area.
11. An individual who wishes to withdraw from membership shall lodge with the Company a written notice of retiral (in such form as the directors may reasonably require), signed by him/her; he/she shall cease to be a member with effect from the time at which the notice is received by the Company.

Expulsion from membership

12. The Company may, by special resolution with the approval of at least 75% of its members, expel any individual from membership.
13. Any member who wishes to propose at any meeting a resolution for the expulsion of any individual from membership shall lodge with the Company written notice of his/her intention to do so (identifying the member concerned and specifying the grounds for the proposed expulsion) not less than four weeks before the date of the meeting.
14. The Company shall, on receipt of a notice under the preceding article, forthwith send a copy of the notice to the member concerned, and the member concerned shall be entitled to be heard on the resolution at the meeting.
15. An individual expelled from membership shall cease to be a member with effect from the time at which the relevant resolution is passed.

General meetings

16. A general meeting shall be convened by the directors on requisition by members or on requisition by a resigning auditor. A minimum of 10% of membership is required to call the general meeting.
17. Subject to the preceding article, the directors may convene general meetings whenever they think fit.
18. Notwithstanding article 17, the directors shall convene an annual general meeting of the Company. Each annual general meeting shall take place within fifteen months of the date of the previous annual general meeting.

Notice of general meetings

19. All general meetings shall be called by at least fourteen clear days' notice. Clear notice means excluding the day when the notice is given and the day for which it is given.

20. Notice of every general meeting shall be given (either in writing or, where the party to whom notice is given has notified the Company of an address to be used for the purpose of electronic communications, by way of an electronic communication) be sent or delivered to all the members and directors and (if there are auditors in office at the time) to the auditors.
21. 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.
22. The directors shall be entitled, at their discretion, to allow any individual who is not a member of the Company to remain in attendance at the annual general meeting following the commencement of the formal business; for the avoidance of doubt, no such individual shall be entitled to vote at the annual general meeting.
23. The directors shall allow the advisory officer appointed to the Bureau from time to time by the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland) to attend general meetings of the Company; for the avoidance of doubt, the advisory officer shall not be entitled to vote at any such meeting.
24. No business shall be transacted at any general meeting unless a quorum is present; 10 members, present in person, shall be a quorum unless the members shall agree a different figure.
25. If the quorum required under article 25 is not present within half an hour after the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
26. The chairperson of the board of directors (or, in his/her absence, the vice chairperson) shall (if present and willing to act as chairperson) preside as chairperson of the meeting; if neither the chairperson of the board of directors nor the vice chairperson is present and willing to act as chairperson within half an hour of the time appointed for holding the meeting, the directors present shall elect one of their number to act as chairperson or, if there is only one director present and willing to act, he/she shall be chairperson.
27. If no director is willing to act as chairperson is present within half an hour after the time appointed for holding the meeting, the members present shall elect one of their number to be chairperson.
28. A director shall, notwithstanding that he/she is not a member, be entitled to attend and speak at any general meeting.
29. The chairperson may, with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place.

30. No business shall be transacted at any adjourned meeting other than business which could properly have been transacted at the meeting which was adjourned if the adjournment had not taken place.
31. Where a meeting is adjourned for thirty days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and indicating the general nature of the business to be transacted; in any other case, it shall not be necessary to give any notice of an adjourned meeting.
32. A resolution put to the vote of a meeting shall be decided on a show of hands.

Votes of members

33. Every member who is present in person, or is represented by a duly appointed proxy, shall have one vote.
34. No objection may be raised as to the validity of any vote cast at a general meeting except at the meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid; any such objection shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

Appointment of directors

35. At each annual general meeting the members may elect any member who is willing so to act as a director subject to article 39.

Number of directors

36. The maximum number of directors shall be determined by the board of directors.

Directors

37. Not more than 25% of the total number of directors at any time shall be volunteer workers.
38. A director shall be eligible to serve as a director for a continuous period of five years after which he shall resign at the following annual general meeting. A director who has resigned at an annual general meeting shall be eligible for re-election by the directors at that same annual general meeting.

Appointment, vacating of office, re-appointment : Co-opted Directors

39. The directors may (subject to article 37) at any time appoint as a director (a "Co-opted Director") any individual whom the directors reasonably consider appropriate (providing he/she is willing so to act).
40. At the conclusion of each annual general meeting, the Co-opted Directors shall

vacate office.

41. Immediately following each annual general meeting, the directors may re-appoint under article 40 any individual who, as a Co-opted Director, vacated office under the preceding article at the conclusion of the annual general meeting; the directors may alternatively appoint someone in his/her place or resolve not to fill the vacancy.

Chief Executive

42. For the avoidance of doubt, the Chief Executive of the Bureau shall not be entitled to be a director but must be allowed to attend and speak at all board meetings.

Disqualification and removal of directors

43. A director shall vacate office if
 - (a) he/she ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director
 - (b) he/she is sequestered
 - (c) he/she becomes incapable for medical reasons of fulfilling the duties of his/her office and such incapacity is expected to continue for a period of more than six months
 - (d) he/she is disqualified from charity trustee under the Charities and Trustee Investment (Scotland) Act 2005
 - (e) he/she resigns office by notice to the Companyor
 - (f) he/she is absent for a period of more than six months (without permission of the directors) from meetings of directors held during that period and the directors resolve to remove him/her from office.

Appointment to executive office

44. Directors shall be appointed to hold the offices of chairperson, vice chairperson and finance director and such other executive offices as the directors may consider appropriate; each such office shall be held, subject to article 50, until the conclusion of the annual general meeting which next follows appointment.
45. (Subject to the Provisions of Article 48) director shall not be eligible for appointment as chairperson, vice chairperson, or finance director if he/she has held that office for five consecutive years.

46. A director shall not be eligible for appointment as chairperson, vice chairperson or finance director or other executive office if he/she is a volunteer worker within the Bureau.
47. The appointments to executive office under article 45 shall be made at a meeting of directors held as soon as reasonably practicable after the incorporation of the Company and thereafter at a meeting of directors held as soon as reasonably practicable after each annual general meeting.
48. In circumstances which the board of directors deem to be exceptional, a director whose period of executive office expires under article 45 may (subject to article 47) be re-appointed to such office (providing he/she is willing to act).
49. The appointment of any director to executive office shall terminate if he/she ceases to be a director, or if he/she resigns from such executive office by notice to the Company.
50. If the appointment of any director to executive office terminates under the preceding article, the directors, shall, at a meeting of directors held as soon as reasonably practicable after such termination, appoint another director to hold such office in his/her place; a director so appointed shall (subject to article 49) hold such executive office until the conclusion of the first annual general meeting which follows such appointment.

Directors' interests

51. Subject to the provisions of the Act and of clause 4 of the memorandum of association and provided that he/she has disclosed to the directors the nature and extent of any material interest of his/hers, a director notwithstanding his/her office
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company 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 interested in, any body corporate promoted by the Company or in which the Company is otherwise interestedand
 - (c) shall not, by reason of his/her office, be accountable to the Company for any benefit which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate

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

52. For the purposes of the preceding article
- (a) a general notice given to the directors 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 in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified
- and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest of his/hers.
53. In circumstances capable of giving rise to a conflict of interest between the Company and any person responsible for the appointment of the director, the director in question must:
- (a) put the interests of the Company before those of the other person; or
 - (b) where any other duty prevents the director from doing so, disclose the conflicting interest to the charity and refrain from participating in any deliberation or decision of the other Company directors with respect to the matter in question.

Directors' remuneration and expenses

54. No director shall be entitled to any remuneration, whether in respect of his/her office as director or as holder of any executive office under the Company.
55. An individual for the time being holding the office as Chief Executive, who subject to article 42 is not a director of the Company, will constitute an employee of the Company and shall be entitled to retain all remuneration which he/she derives from his/her employment by the Company; for the avoidance of doubt, the directors shall be entitled to exercise, in relation to any individual who holds or held the post, the powers of the Company under clause 3 of the memorandum of association with regard to the provision of pension and other benefits for him/her and his/her spouse, widow/widower, relatives and dependents.
56. The directors may be paid all travelling and other expenses properly incurred by them in connection with their attendance at meetings of directors, general meetings and meetings of committees of directors or otherwise in connection with the discharge of their duties.

Powers of directors

57. Subject to the provisions of the Act, the memorandum of association and these

articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company.

58. No alteration of the memorandum of association or these articles and no direction given by special resolution shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.
59. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
60. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purpose and on such conditions as they may determine, including authority for the agent to delegate all or any of his/her powers.

Proceedings of directors

61. Any director may call a meeting of the directors or request the secretary to call a meeting of the directors.
62. No notice of a meeting of directors need be given to a director who is absent from the United Kingdom.
63. Questions arising at a meeting of directors shall be decided by a majority of votes.
64. The quorum for the transaction of the business of the directors shall be four or such other figure as the directors shall determine .
65. The directors may allow representatives of local authorities and other bodies with which the Company has contact in the course of operating the Bureau to attend meetings of directors.
66. The directors shall allow the advisory officer appointed to the Bureau from time to time by the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland) to attend meetings of the directors in a liaison/advisory capacity.
67. For the avoidance of doubt, an individual who is allowed to attend meetings of directors under article 65 or 66 shall not be entitled to vote at such meetings and shall not have any of the powers of a director.
68. The continuing directors or a sole continuing director may act notwithstanding vacancies but if the number of remaining directors is less than the number fixed as the quorum, they or he/she may act only for the purpose of filling vacancies or of calling a general meeting.
69. Unless he/she is unwilling to do so, the chairperson of the board of directors shall

preside as chairperson at every meeting of directors at which he/she is present.

70. If the chairperson of the board of directors is unwilling to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the vice chairperson shall act as chairperson; if the vice chairperson is not willing to act as chairperson or is not present within fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairperson of the meeting.
71. All acts done by a meeting of directors or by a meeting of a committee of directors or by a person acting as a director shall, notwithstanding that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
72. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) committee of directors duly convened and held; it may consist of several documents in the same form each signed by one or more directors.
73. Except as otherwise provided by these articles, a director shall not vote at a meeting of directors or at a meeting of a committee of directors on any resolution concerning a matter in which he/she has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company.
74. For the purposes of the preceding article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force at the date of incorporation of the Company), connected with a director shall be treated as an interest of the director.
75. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.
76. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the directors or at a meeting of a committee of directors.
77. If a question arises at a meeting of directors or at a meeting of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting; his/her ruling in relation to any director other than himself/herself shall be final and conclusive.

Delegation to committee of directors and holders of executive office

78. The directors may delegate any of their powers to any committee consisting of one or more directors; they may also delegate to the chairperson of the board of directors or to any director holding any other executive office such of their powers as they consider desirable to be exercised by him/her.
79. Any delegation of powers under the preceding article may be made subject to such conditions as the directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered.
80. Subject to any condition imposed in pursuance of the preceding article, the proceedings of a committee consisting of two or more directors shall be governed by the articles regulating the proceedings of meetings so far as they are capable of applying.

Secretary

81. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

Minutes

82. The directors shall ensure that minutes are made of all proceedings at general meetings, meetings of the directors and meetings of committees of directors; a minute of a meeting of directors or of a committee of directors shall include the names of the directors present.

Membership of the Scottish Association of Citizens Advice Bureaux

83. So long as the bureau constitutes a member of the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland), the directors shall ensure that at all times an individual is authorised by them to attend, speak and vote on behalf of the Bureau at meetings of the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland); the directors may at any time revoke the authority of any such individual to exercise such powers and appoint some other individual in his/her place to exercise such powers.
84. The directors shall not have power to remove the Bureau from membership of the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland) without the prior sanction of a special resolution of the Company.
85. The directors shall ensure that, so long as the Bureau remains a member of the Scottish Association of Citizens Advice Bureaux (Citizens Advice Scotland), the Company and the Bureau comply with the conditions of membership in force from time to time.

Accounts

86. No member shall (in that capacity) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or as authorised by the directors or by ordinary resolution of the Company.

Notices

87. Any notice which requires to be given to a member under these articles shall be given either in writing or by way of electronic communication; such notice may be given personally to the member or be sent by post in a pre-paid envelope addressed to the member at the address last intimated by him/her to the Company or (in the case of a member who has notified the Company of an address to be used for the purposes of electronic communications) may be given to the member by way of an electronic communication.
88. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.
89. Any notice contained in an electronic communication shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any electronic communication was sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.
90. A member present at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

Indemnity

91. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company and every employee or volunteer engaged in the activities of the Bureau shall be indemnified out of the assets of the Company against any liability incurred by him/her for negligence, default or breach of duty or breach of trust in relation to the affairs of the Company provided that this article and article 92 shall be deemed not to provide for, or entitle any such person to, indemnify to the extent that it would cause this article and article 93, to be treated as void under the Act.
92. The indemnity provided for in article 92 shall (subject to the provisions of the Act) extend to any liability incurred by any person referred to in article 92 in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.