

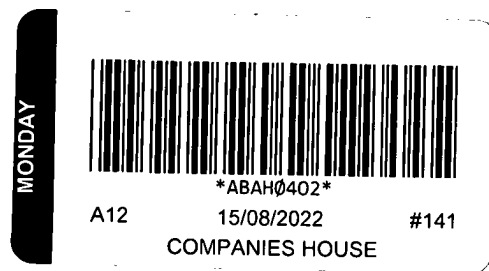
Company No: 2751104

Charity No: 1039386

The Companies Act 2006

Articles of Association of Adferiad Recovery

Company Limited by Guarantee
and not having a Share Capital



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Company Limited by Guarantee and not having a Share Capital

Articles of Association of Adferiad Recovery

Company No: 2751104

Charity No: 1039386

INTERPRETATION

1. Defined terms

The interpretation of these Articles is governed by the provisions set out in the Schedule at the end of the Articles.

2. Exclusion of model articles

The relevant model articles for a company limited by guarantee are hereby expressly excluded.

OBJECTS AND POWERS

3. Objects

3.1 The charity's objects are specifically restricted to the following:

3.1.1 The relief and support of people suffering directly or indirectly from problems associated with:

- Mental health (with particular reference to serious mental illness)
- Psychological and emotional well-being
- Learning disabilities
- Illness of any type
- Age
- Offending or other involvement in the criminal justice system
- Social exclusion
- Economic activity
- Alcohol misuse
- Drug misuse
- Gambling
- Other dependencies/addictions
- Complex and/or co-occurring needs
- Service in the armed forces or emergency services

Through activities including:

- Counselling
- Treatment

- Prevention services
- Training
- Education
- Awareness raising
- Care
- Reduction of harms
- Interventions focused on recovery
- Employment opportunities
- Development and management of charitable social enterprises
- Provision of accommodation

3.1.2 The relief and support of carers and families through provision of these activities

3.1.3 Alleviation of disadvantage, inequality, prejudice and discrimination through responsible engagement in public and political discourse.

4. **Powers**

4.1 The Charity has the power to do anything which is calculated to further its objects or is incidental or conducive to doing so. In particular, the Charity may:

- 4.1.1 provide and assist in the provision of money, materials or other help;
- 4.1.2 organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities;
- 4.1.3 publish and distribute books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter on any medium;
- 4.1.4 promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available;
- 4.1.5 provide or procure the provision of counselling and guidance;
- 4.1.6 provide or procure the provision of advice;
- 4.1.7 alone or with other organisations seek to influence public opinion and make representations to and seek to influence governmental and other bodies and institutions regarding the reform, development and implementation of appropriate policies, legislation and regulations provided that all such activities shall be confined to those which an English and Welsh charity may properly undertake;
- 4.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 4.1.9 acquire or rent any property of any kind and any rights or privileges in and over property and construct, maintain, alter and equip any buildings or facilities;
- 4.1.10 dispose of or deal with all or any of its property with or without payment and subject to such conditions as the Directors think fit (in exercising this power the Charity must comply as appropriate with the Charities Act 2011);

- 4.1.11 borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds, including charging property as security for the repayment of money borrowed or as security for a grant or the discharge of an obligation (the Charity must comply as appropriate with the Charities Act 2011 if it wishes to mortgage land);
- 4.1.12 set aside funds for special purposes or as reserves against future expenditure;
- 4.1.13 invest the Charity's money not immediately required for its objects in or upon any investments, securities, or property;
- 4.1.14 arrange for investments or other property of the Charity to be held in the name of a nominee or nominees and pay any reasonable fee required;
- 4.1.15 lend money and give credit to, take security for such loans or credit and guarantee or give security for the performance of contracts by any person or company;
- 4.1.16 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 4.1.17 accept (or disclaim) gifts of money and any other property;
- 4.1.18 raise funds by way of subscription, donation or otherwise;
- 4.1.19 trade in the course of carrying out the objects of the Charity and carry on any other trade which is not expected to give rise to taxable profits;
- 4.1.20 incorporate and acquire subsidiary companies to carry on any trade;
- 4.1.21 subject to any other provisions of these Articles:
 - (a) engage and pay employees, consultants and professional or other advisers; and
 - (b) make reasonable provision for the payment of pensions and other retirement benefits to or on behalf of employees and their spouses and dependents;
- 4.1.22 establish and support or aid in the establishment and support of any other organisations and subscribe, lend or guarantee money or property for charitable purposes;
- 4.1.23 become a member, associate or affiliate of or act as trustee or appoint trustees of any other organisation (including without limitation any charitable trust of permanent endowment property held for any of the charitable purposes included in the Charity's objects);
- 4.1.24 undertake and execute charitable trusts;
- 4.1.25 impose restrictions, which may be revocable or irrevocable, on the use of any property of the Charity, including (without limitation) by creating permanent endowment;
- 4.1.26 amalgamate, merge with, acquire or undertake all or any of the property, liabilities and engagements of any body or enter into any form of partnership or joint venture arrangement with any such body;

- 4.1.27 co-operate with charities, voluntary bodies, statutory authorities and other bodies and exchange information and advice with them;
- 4.1.28 insure the property of the Charity against any foreseeable risk and take out other insurance policies as are considered necessary by the Directors to protect the Charity;
- 4.1.29 to provide indemnity insurance for the directors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;
- 4.1.30 to pay out of the funds of the charity the costs of forming and registering the charity both as a company and as a charity;
- 4.1.31 do all such other lawful things as may further the Charity's objects;

4.1.32 Benefits to Directors

- (a) a director or connected person may receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the directors do not benefit in this way;
- (b) a director or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011;
- (c) subject to Article 4.1.33 of this article a director or connected person may provide the charity with goods that are not supplied in connection with services provided to the charity by the director or connected person;
- (d) a director or connected person may receive interest on money lent to the charity at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate);
- (e) a director or connected person may receive rent for premises let by the director or connected person to the charity. The amount of the rent and the other terms of the lease must be reasonable and proper. The director concerned must withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion; and
- (f) a director or connected person may take part in the normal trading and fundraising activities of the charity on the same terms as members of the public;

4.1.33 Payment for supply of goods only - controls

The charity and its directors may only rely upon the authority provided by Article 4.1.32 of this article if each of the following conditions is satisfied:

- (a) the amount or maximum amount of the payment for the goods is set out in an agreement in writing between the charity or its directors (as the case may be) and the director or connected person supplying the goods ('the supplier') under which the supplier is to supply the goods in question to or on behalf of the charity;
- (b) the amount or maximum amount of the payment for the goods does not exceed what

is reasonable in the circumstances for the supply of the goods in question; and

- (c) the other directors are satisfied that it is in the best interests of the charity to contract with the supplier rather than with someone who is not a director or connected person. In reaching that decision the directors must balance the advantage of contracting with a director or connected person against the disadvantages of doing so.

5. Application of income and property

5.1 The income and property of the charity shall be applied solely towards the promotion of the Objects.

5.2

5.2.1 a director is entitled to be reimbursed from the property of the charity or may pay out of such property reasonable expenses properly incurred by them when acting on behalf of the charity;

5.2.2 a director may benefit from trustee indemnity insurance cover purchased at the charity's expense in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;

5.2.3 a director may receive an indemnity from the charity in the circumstances specified in Article 9; and

5.2.4 a director may not receive any other benefit or payment unless it is authorised by Article 6.

5.3 Subject to Article 6, none of the income or property of the charity may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the charity. This does not prevent a member who is not also a director receiving:

- (a) a benefit from the charity in the capacity of a beneficiary of the charity; and
- (b) reasonable and proper remuneration for any goods or services supplied to the charity.

LIMITATION ON PRIVATE BENEFITS

Benefits and payments to charity directors and connected persons

6. General provisions

6.1 No director or connected person may:

6.1.1 buy any goods or services from the charity on terms preferential to those applicable to members of the public;

6.1.2 sell goods, services, or any interest in land to the charity;

6.1.3 be employed by, or receive any remuneration from, the charity; and

6.1.4 receive any other financial benefit from the charity,

unless the payment is permitted by Article 4.1.33, or authorised by the court or the Charity Commission.

6.2 In this article a "financial benefit" means a benefit, direct or indirect, which is either money or has a monetary value.

7. Scope and powers permitting directors' or connected persons' benefits

7.1 The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with them or it with regard to the supply of goods to the charity.

7.2 The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting.

7.3 The reason for their decision is recorded by the directors in the minute book.

7.4 A majority of the directors then in office are not in receipt of remuneration or payments authorised by Article 6.

In these Articles:

7.4.1 'charity' includes any company in which the charity;

(a) holds more than 50 per cent of the shares; or

(b) controls more than 50 per cent of the voting rights attached to the shares; or

(c) has the right to appoint one or more directors to the board of the company; or

7.4.2 'connected person' includes any person within the definition in article 'Interpretation'.

LIMITATION OF LIABILITY AND INDEMNITY

8. Liability of members

8.1 The liability of each member is limited to £10, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while they are a member or within one year after they cease to be a member, for:

8.1.1 payment of the Charity's debts and liabilities contracted before they cease to be a member;

8.1.2 payment of the costs, charges and expenses of winding up; and

8.1.3 adjustment of the rights of the contributories among themselves.

9. Indemnity

9.1 The charity shall indemnify a relevant director against any liability incurred in successfully defending legal proceedings in that capacity, or in connection with any application in which relief is granted by the Court from liability for negligence, default or breach of duty or breach of trust in relation to the charity.

9.2 In this article a 'relevant director' means any director or former director of the charity.

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

10. Directors' general authority

Subject to the Articles, the Directors are responsible for the management of the Charity's business, for which purpose they may exercise all the powers of the Charity.

11. Chair

The Directors may appoint one of their number to be the Chair of the Directors for such term of office as they determine and may at any time remove them from that office.

12. Directors may delegate

12.1 Subject to the Articles, the Directors may delegate any of their powers or functions to any committee.

12.2 Subject to the Articles, the Directors may delegate the implementation of their decisions or day-to-day management of the affairs of the Charity to any person or committee.

12.3 Any delegation by the Directors may be:

12.3.1 by such means;

12.3.2 to such an extent;

12.3.3 in relation to such matters or territories; and

12.3.4 on such terms and conditions,

as they think fit.

12.4 The Directors may authorise further delegation of the relevant powers, functions, implementation of decisions or day-to-day management by any person or committee to whom they are delegated.

12.5 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

12.6 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Charity for such purposes and on such conditions as they determine.

13. Committees

13.1 In the case of delegation to committees:

13.1.1 the resolution making the delegation must specify those who shall serve or be asked to serve on the committee (although the resolution may allow the committee to make co-options up to a specified number);

13.1.2 the composition of any committee shall be entirely in the discretion of the Directors and may include such of their number (if any) as the resolution may specify;

- 13.1.3 the deliberations of any committee must be reported regularly to the Directors and any resolution passed or decision taken by any committee must be reported promptly to the Directors and every committee must appoint a secretary for that purpose;
- 13.1.4 the Directors may make such regulations and impose such terms and conditions and give such mandates to any committee as they may from time to time think fit; and
- 13.1.5 no committee shall knowingly incur expenditure or liability on behalf of the Charity except where authorised by the Directors or in accordance with a budget which has been approved by the Directors.
- 13.2 The meetings and proceedings of any committee shall be governed by the Articles regulating the meetings and proceedings of the Directors so far as they apply and are not superseded by any regulations made by the Directors.
- 14. **Delegation of day-to-day management powers**
 - 14.1 In the case of delegation of the day-to-day management of the Charity to a chief executive or other manager or managers:
 - 14.1.1 the delegated power shall be to manage the Charity by implementing the policy and strategy adopted by and within a budget approved by the Directors and (if applicable) to advise the Directors in relation to such policy, strategy and budget;
 - 14.1.2 the Directors shall provide any manager with a description of their role and the extent of their authority; and
 - 14.1.3 any manager must report regularly to the Directors on the activities undertaken in managing the Charity and provide them regularly with management accounts which are sufficient to explain the financial position of the Charity.
- 15. **Delegation of investment management**
 - 15.1 The Directors may delegate the management of investments to a Financial Expert or Financial Experts provided that:
 - 15.1.1 the investment policy is set down in Writing for the Financial Expert or Financial Experts by the Directors;
 - 15.1.2 timely reports of all transactions are provided to the Directors;
 - 15.1.3 the performance of the investments is reviewed regularly with the Directors;
 - 15.1.4 the Directors are entitled to cancel the delegation arrangement at any time;
 - 15.1.5 the investment policy and the delegation arrangements are reviewed regularly;
 - 15.1.6 all payments due to the Financial Expert or Financial Experts are on a scale or at a level which is agreed in advance and are notified promptly to the Directors on receipt; and
 - 15.1.7 the Financial Expert or Financial Experts must not do anything outside the powers of the Directors.

16. Power to change name of Charity

16.1 The Directors may change the name of the Charity at any time by:

16.1.1 majority decision of at least three-quarters of the Directors present and voting at a meeting;
or

16.1.2 majority decision of at least three-quarters of all the Directors taken following the procedure in Article 23.

DECISION-MAKING BY DIRECTORS

17. Directors to take decisions collectively

17.1 Any decision of the Directors must be either:

17.1.1 by decision of a majority of the Directors present and voting at a quorate Directors' meeting (subject to Article 22); or

17.1.2 a decision taken in accordance with Article 23.

18. Calling a Directors' meeting

18.1 Any two Directors may (and the Secretary, if any, must at the request of any two Directors) call a Directors' meeting.

18.2 A Directors' meeting must be called by at least 14 Clear Days' notice unless either:

18.2.1 all the Directors agree; or

18.2.2 urgent circumstances require shorter notice.

18.3 In deciding on the date and time of any Directors' meeting, the Director calling or requesting the Secretary to call the meeting must try to ensure, subject to the urgency of any matter to be discussed at the meeting, that as many Directors as practicable are likely to be available to participate.

18.4 Notice of Directors' meetings must be given to each Director.

18.5 Every notice calling a Directors' meeting must specify:

18.5.1 the day and time of the meeting;

18.5.2 the place where all the Directors may physically attend the meeting (if any);

18.5.3 the general nature of the business to be considered at the meeting; and

18.5.4 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

18.6 Notice of Directors' meetings need not be in Writing.

18.7 Article 39 shall apply, and notice of Directors' meetings may be sent by Electronic Means to an Address provided by the Director for the purpose.

19. Participation in Directors' meetings

19.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

19.1.1 the meeting has been called and takes place in accordance with the Articles; and

19.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting (for example via telephone or video conferencing, electronic facilities and/or electronic platforms).

19.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other. For the avoidance of doubt, a Director participating in a meeting via telephone or other communication (in accordance with Article 19.1) shall be treated as being present in person at the meeting for all purposes (including, without limitation, for the purposes of any provisions of the Articles relating to the quorum for the meeting).

19.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

20. Quorum for Directors' meetings

20.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

20.2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Directors, but it must never be less than such number of Directors as represents 40% (rounded to the nearest whole number) of the total number of Directors in office, from time to time.

20.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to appoint further Directors.

21. Chairing of Directors' meetings

The Chair, if any, or in their absence, another Director nominated by the Directors present, shall preside as chair of each Directors' meeting.

22. Casting vote

22.1 If the numbers of votes for and against a proposal at a Directors' meeting are equal, the chair of the meeting has a casting vote in addition to any other vote they may have.

22.2 Article 22.1 does not apply if, in accordance with the Articles, the chair of the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.

23. Majority decisions without a meeting

23.1 A decision is taken in accordance with this Article when a majority of the Directors indicate to each other by any means (including without limitation by Electronic Means, such as by email or by telephone) that they share a common view on a matter.

23.2 Such a decision may, but need not, take the form of a resolution in Writing, copies of which have been signed by each Director or to which each Director has otherwise indicated agreement in Writing.

23.3 A decision which is made in accordance with this Article 23 shall be as valid and effectual as if it had been passed at a meeting duly convened and held, provided the following conditions are complied with:

23.3.1 approval from a majority of the Directors must be received within 14 days or such other period as stipulated by the Directors from time to time;

23.3.2 following receipt of responses from the majority of the Directors, any one Director must communicate to all other Directors (by any means) whether the resolution has been formally approved by the Directors in accordance with this Article 23.3; and

23.3.3 the date of the decision shall be the date of the communication confirming formal approval.

24. Conflicts of interest

Declaration of interests

24.1 Unless Article 24.2 applies, a Director must declare the nature and extent of:

24.1.1 any direct or indirect interest which they have in a proposed transaction or arrangement with the Charity; and

24.1.2 any duty or any direct or indirect interest which they have which conflicts or may conflict with the interests of the Charity or their duties to the Charity.

24.2 There is no need to declare any interest or duty of which the other Directors are, or ought reasonably to be, already aware.

Participation in decision-making

24.3 If a Director's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of duties with or in respect of the Charity, they are entitled to participate in the decision-making process, to be counted in the quorum and to vote in relation to the matter. Any uncertainty about whether a Director's interest or duty is likely to give rise to a conflict shall be determined by a majority decision of the other Directors taking part in the decision-making process.

24.4 If a Director's interest or duty gives rise (or could reasonably be regarded as likely to give rise) to a conflict of interest or a conflict of duties with or in respect of the Charity, they may participate in the decision-making process and may be counted in the quorum and vote unless:

24.4.1 the decision could result in the Director or any person who is Connected with them receiving a benefit other than:

(a) any benefit received in their or its capacity as a beneficiary of the Charity (as permitted under Article 4.1.32(a)) and which is available generally to the beneficiaries of the Charity;

- (b) payment under the indemnity set out at Article 5.2.2; and
 - (c) reimbursement of expenses in accordance with Article 5.2.1; or
- 24.4.2 a majority of the other Directors participating in the decision-making process decide to the contrary, in which case they must comply with Article 24.5.
- 24.5 If a Director with a conflict of interest or conflict of duties is required to comply with this Article 24.5, they must:
- 24.5.1 take part in the decision-making process only to such extent as in the view of the other Directors is necessary to inform the debate;
 - 24.5.2 not be counted in the quorum for that part of the process; and
 - 24.5.3 withdraw during the vote and have no vote on the matter.

Continuing duties to the Charity

- 24.6 Where a Director has a conflict of interest or conflict of duties and the Director has complied with their obligations under these Articles in respect of that conflict:
- 24.6.1 the Director shall not be in breach of their duties to the Charity by withholding confidential information from the Charity if to disclose it would result in a breach of any other duty or obligation of confidence owed by them; and
 - 24.6.2 the Director shall not be accountable to the Charity for any benefit expressly permitted under these Articles which they or any person Connected with them derives from any matter or from any office, employment or position.

25. Register of Directors' interests

The Directors must ensure a register of Directors' interests is kept.

26. Validity of Director actions

All acts done by a person acting as a Director shall, even if afterwards discovered that there was a defect in their appointment or that they were disqualified from holding office or had vacated office, be as valid as if such person had been duly appointed and was qualified and had continued to be a Director.

27. Director's discretion to make further rules

Subject to the Articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

APPOINTMENT AND RETIREMENT OF DIRECTORS

28. Number of Directors

- 28.1 There shall be at least five and no more than twenty Directors.
- 28.2 Subject to Article 29, any person who is willing to act as a Director, and who would not be disqualified from acting under the provisions of Article 30, may be appointed to be a Director

by a decision of the Directors.

29. Appointment of Directors and retirement of Directors by rotation

Appointment of Directors

29.1 The Directors shall make appointments under Article 28.2 as follows:

29.1.1 there may be at least six and up to twelve Stakeholder Directors appointed in accordance with Articles 29.1.3;

29.1.2 Stakeholder Directors shall be individuals who are either:

- (a) Service User Directors: current or former service users of services such as those provided by Adferiad Recovery; or
- (b) Carer Directors: carers of those who are current or former service users of services such as those provided by Adferiad Recovery,

or such other definition as introduced by the board of the Charity from time to time.

29.1.3 The board of the Charity shall endeavour to ensure that as far as practicable the Stakeholder Directors appointed under Article 29.1 shall include at least three representatives from each category listed in this Article 29.1.2, and that the stakeholder members are able as far as practicable to make nominations and ratify the appointment of the Stakeholder Directors in such manner as prescribed by the Directors from time to time.

29.1.4 Appointments under Article 29.1.3 shall take place following an open selection process by the nominations committee, taking account of the individual's ability, experience and expertise.

Automatic retirement

29.2 Each Director shall retire from office at the third Annual Retirement Meeting following the commencement of their term of office.

29.3 The Annual Retirement Meeting shall be the meeting of the Directors at which the accounts of the Charity are adopted.

Maximum term

29.4 Retiring Directors may be reappointed but a Director who has served for three consecutive terms of office must take a break from office and may not be reappointed until the earlier of:

29.4.1 the second anniversary of the commencement of their break from office; and

29.4.2 the second Annual Retirement Meeting following the Annual Retirement Meeting at which their break from office commenced.

29.5 If the retirement of a Director under Article 29.2 causes the number of Directors to fall below that set out in Article 28 then the retiring Director shall remain in office until a new appointment is made.

General

29.6 A Director may not appoint an alternate director or anyone to act on their behalf at meetings

of the Directors.

30. Disqualification and removal of Directors

30.1 A Director shall cease to hold office if:

30.1.1 they cease to be a director by virtue of any provision of the Companies Act 2006, or is prohibited from being a director by law;

30.1.2 they are disqualified under the Charities Act 2011 from acting as a trustee of a charity;

30.1.3 the Directors reasonably believe they have become physically or mentally incapable of managing their own affairs and they resolve that they be removed from office;

30.1.4 notification is received by the Charity from them that they are resigning from office, and such resignation has taken effect in accordance with its terms (but only if at least five Directors will remain in office when such resignation has taken effect);

30.1.5 they fail to attend three consecutive meetings of the Directors and the Directors resolve that they be removed for this reason;

30.1.6 they fail (in the reasonable opinion of the Directors) to satisfactorily complete any mandatory training as prescribed by the Directors from time to time;

30.1.7 at a meeting of the Directors at which at least half of the Directors are present, a resolution is passed that they be removed from office. Such a resolution shall not be passed unless they have been given at least 14 Clear Days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify removal from office, and has been afforded a reasonable opportunity of either (at their option) being heard by or of making written representations to the Directors; or

30.1.8 they cease to be a member of the Charity.

PATRONS

31. Patrons

The Directors may appoint and remove any individual(s) as patron(s) and/or life president(s) of the Charity on such terms as they shall think fit.

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

32. Directors as members

32.1 The Directors from time to time shall be the only members of the Charity.

32.2 A Director shall become a member on becoming a Director. All new Directors are treated as having agreed to become members of the Charity.

32.3 The names of the members of the Charity must be entered in the register of members.

33. Termination of membership

33.1 A member shall cease to be a member if they cease to be a Director.

33.2 Membership is not transferable and shall cease on death.

34. **Stakeholder members**

The Directors may establish such classes of stakeholder membership with such description and with such rights and obligations (including without limitation the obligation to pay a subscription) as they think fit and may admit and remove such stakeholder members in accordance with such regulations as the Directors shall make, provided that no such stakeholder members shall be members of the Charity for the purposes of the Articles or the Companies Acts.

DECISION-MAKING BY MEMBERS

35. **Members' Meetings**

35.1 The Directors may call a general meeting of the members at any time.

35.2 Such meetings must be called and held in accordance with the provisions regarding such meetings in the Companies Acts.

35.3 The Directors shall determine whether a general meeting is to be held as a physical general meeting or a hybrid general meeting, whereby such general meeting can be attended by electronic means as well as in person (a "**Hybrid General Meeting**"). The Directors may and shall, on requisition in accordance with the Companies Acts, proceed to convene a general meeting whenever and at such time and place, including partly via an electronic platform, as they shall determine.

35.4 The quorum for general meetings is such number of members as represents 40% (rounded to the nearest whole number) of the total number of members, from time to time, provided that if the quorum for Director's meetings is fixed at a different level by a decision of the Directors, in accordance with Article 20.2, the quorum for general meetings shall change accordingly.

HYBRID MEETINGS

36. **Hybrid Meetings**

36.1 The Directors may resolve to enable members entitled to attend a Hybrid General Meeting to do so by simultaneous attendance by electronic means with no member necessarily in physical attendance at the general meeting. The members or their proxies shall be counted in the quorum for, and entitled to vote at, the General Meeting in question, and that meeting shall be duly constituted and its proceedings valid if the Chair of the General Meeting is satisfied that adequate facilities are available throughout the Hybrid General Meeting to ensure that members attending the Hybrid General Meeting who are not present together at the same place may, by electronic means, attend and participate in the business of the general meeting.

36.2 If it appears to the Chair of the Hybrid General Meeting that:

36.2.1 the electronic platform facilities at the principal meeting place; or

36.2.2 the electronic platform facilities in respect of the Hybrid General Meeting,

have become inadequate for the purposes referred to in Article 36.1 then the Chair may, without the consent of the meeting, interrupt or adjourn the Hybrid General Meeting. All business conducted at that Hybrid General Meeting up to the time of that adjournment shall be valid.

36.3 In relation to a Hybrid General Meeting, the right of a member to participate in the business of the general meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

37. Adjournment

37.1 The Chair of any general meeting at which a quorum is present may adjourn the meeting if:

- (a) the members consent to an adjournment by passing an ordinary resolution;
- (b) the Chair considers it necessary to restore order or to otherwise facilitate the proper conduct of the meeting; or
- (c) the circumstances envisaged by Article 36.2 arise.

37.2 If the Chair adjourns a general meeting, the Chair may specify the time and place and (in the case of a Hybrid General Meeting), the electronic platform(s) to which it is adjourned. Where a meeting is adjourned without specifying a new time and place and (if applicable) electronic platform(s), the time and place and (in the case of a Hybrid General Meeting), the electronic platform(s) for the adjourned meeting shall be fixed by the Directors.

37.3 No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

WRITTEN RESOLUTIONS

38. Written resolutions

The members may pass written resolutions in accordance with the Companies Acts.

ADMINISTRATIVE ARRANGEMENTS AND MISCELLANEOUS

39. Communications by the Charity

Methods of communication

39.1 Subject to the Articles and the Companies Acts, any Document or information (including any notice, report or accounts) sent or supplied by the Charity under the Articles or the Companies Acts may be sent or supplied in any way in which the Companies Act 2006 provides for Documents or information which are authorised or required by any provision of that Act to be sent or supplied by the Charity, including without limitation:

39.1.1 in Hard Copy Form;

39.1.2 in Electronic Form; or

39.1.3 by making it available on a website.

39.2 Where a Document or information which is required or authorised to be sent or supplied by the Charity under the Companies Acts is sent or supplied in Electronic Form or by making it available on a website, the recipient must have agreed that it may be sent or supplied in that form or manner or be deemed to have so agreed under the Companies Acts (and not revoked that agreement). Where any other Document or information is sent or supplied in Electronic Form or made available on a website the Directors may decide what agreement (if any) is required from the recipient.

39.3 Subject to the Articles, any notice or Document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means which that Director has asked to be sent or supplied with such notices or Documents for the time being.

Deemed delivery

39.4 A member present in person or by proxy at a meeting of the Charity shall be deemed to have received notice of the meeting and the purposes for which it was called.

39.5 Where any Document or information is sent or supplied by the Charity to the members:

39.5.1 where it is sent by post it is deemed to have been received 48 hours (including Saturdays, Sundays, and Public Holidays) after it was posted;

39.5.2 where it is sent or supplied by Electronic Means, it is deemed to have been received on the same day that it was sent;

39.5.3 where it is sent or supplied by means of a website, it is deemed to have been received:

(a) when the material was first made available on the website; or

(b) if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

39.6 Subject to the Companies Acts, a Director or any other person (other than in their capacity as a member) may agree with the Charity that notices or Documents sent to that person in a particular way are deemed to have been received within a specified time, and for the specified time to be less than 48 hours.

Failed delivery

39.7 Where any Document or information has been sent or supplied by the Charity by Electronic Means and the Charity receives notice that the message is undeliverable:

39.7.1 if the Document or information has been sent to a member and is notice of a general meeting of the Charity, the Charity is under no obligation to send a Hard Copy of the Document or information to the member's postal address as shown in the Charity's register of members, but may in its discretion choose to do so;

39.7.2 in all other cases, the Charity shall send a Hard Copy of the Document or information to the member's postal address as shown in the Charity's register of members (if any), or in the case

of a recipient who is not a member, to the last known postal address for that person (if any); and

- 39.7.3 the date of service or delivery of the Documents or information shall be the date on which the original electronic communication was sent, notwithstanding the subsequent sending of Hard Copies.

Exceptions

- 39.8 Copies of the Charity's annual accounts and reports need not be sent to a person for whom the Charity does not have a current Address.

- 39.9 Notices of general meetings need not be sent to a member who does not register an Address with the Charity, or who registers only a postal address outside the United Kingdom, or to a member for whom the Charity does not have a current Address.

40. Communications to the Charity

The provisions of the Companies Acts shall apply to communications to the Charity.

41. Secretary

- 41.1 A Secretary may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and may be removed by them. If there is no Secretary:

- 41.1.1 anything authorised or required to be given or sent to, or served on, the Charity by being sent to its Secretary may be given or sent to, or served on, the Charity itself, and if addressed to the Secretary shall be treated as addressed to the Charity; and

- 41.1.2 anything else required or authorised to be done by or to the Secretary of the Charity may be done by or to a Director, or a person authorised generally or specifically in that behalf by the Directors.

42. Irregularities

The proceedings at any meeting or on the taking of any poll or the passing of a written resolution or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity (including any accidental omission to give or any non-receipt of notice) or any want of qualification in any of the persons present or voting or by reason of any business being considered which is not specified in the notice.

43. Minutes

- 43.1 The Directors must ensure minutes are made:

- 43.1.1 of all appointments of officers made by the Directors;

- 43.1.2 of all resolutions of the Charity and of the Directors (including, without limitation, decisions of the Directors made without a meeting); and

- 43.1.3 of all proceedings at meetings of the Charity and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting;

and any such minute, if purported to be signed (or in the case of minutes of Directors'

meetings signed or authenticated) by the chair of the meeting at which the proceedings were had, or by the chair of the next succeeding meeting, shall, as against any member or Director of the Charity, be sufficient evidence of the proceedings.

44. Records and accounts

44.1 The Directors shall comply with the requirements of the Companies Acts and of the Charities Act 2011 as to maintaining a members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Charity Commission of:

44.1.1 annual reports;

44.1.2 annual statements of account; and

44.1.3 annual returns or confirmation statements.

45. Dissolution

45.1 The members of the charity may at any time before, and in expectation of, its dissolution resolve that any net assets of the charity after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the charity be applied or transferred in any of the following ways:

(a) directly for the Objects, or

(b) by transfer to any charity or charities for purposes similar to the Objects, or

(c) to any charity or charities for use for particular purposes that fall within the Objects.

45.2 Subject to any such resolution of the members of the charity, the directors of the charity may at any time before and in expectation of its dissolution resolve that any net assets of the charity after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the charity be applied or transferred:

(a) directly for the Objects, or

(b) by transfer to any charity or charities for purposes similar to the Objects, or

(c) to any charity or charities for use for particular purposes that fall within the Objects.

45.3 In no circumstances shall the net assets of the charity be paid to or distributed among the members of the charity (except to a member that is itself a charity) and if no resolution in accordance with Article 45.1 is passed by the members or the directors the net assets of the charity shall be applied for charitable purposes as directed by the Court or the Commission.

SCHEDULE

Interpretation – Defined terms

1. In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

| | Term | Meaning |
|------|------------------------------------|---|
| 1.1 | "Address" | includes a postal or physical address and a number or address used for the purposes of sending or receiving Documents or information by Electronic Means; |
| 1.2 | "Annual Retirement Meeting" | has the meaning given in Article 29.3; |
| 1.3 | "Articles" | the Charity's articles of association; |
| 1.4 | "Carer Director" | has the meaning given in Article 29.1.2(b); |
| 1.5 | "Chair" | has the meaning given in Article 11; |
| 1.6 | "Charity" | means Adferiad Recovery, company number 2751104 and charity number 1039386; |
| 1.7 | "Clear Days" | in relation to the period of a notice, 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; |
| 1.8 | "Companies Acts" | the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Charity; |
| 1.9 | "Connected" | <p>in relation to a Director, means any person falling within any of the following categories:</p> <ul style="list-style-type: none">(a) any spouse, civil partner, parent, child, brother, sister, grandparent or grandchild of the Director; or(b) the spouse or civil partner of any person in (a); or(c) any other person in a relationship with the Director which may reasonably be regarded as equivalent to such a relationship as is mentioned at (a) or (b); or(d) any company, partnership or firm of which the Director is a paid director, member, partner or employee, or shareholder holding more than 1 per cent of the capital; |
| 1.10 | "Director" | a director of the Charity, and includes any person occupying the position of director, by whatever name called and, for the avoidance of doubt, including any Stakeholder Directors; |

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|------|---|--|
| 1.11 | "Document" | includes summons, notice, order or other legal process and includes, unless otherwise specified, any document sent or supplied in Electronic Form; |
| 1.12 | "Electronic Form" and "Electronic Means" | have the meanings respectively given to them in Section 1168 of the Companies Act 2006; |
| 1.13 | "Financial Expert" | an individual, company or firm who, or which, is authorised to give investment advice under the Financial Services and Markets Act 2000; |
| 1.14 | "Hard Copy" and "Hard Copy Form" | have the meanings respectively given to them in the Companies Act 2006; |
| 1.15 | "Hybrid General Meeting" | has the meaning given in Article 35.3; |
| 1.16 | "Public Holiday" | Christmas Day, Good Friday and any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the company is registered; |
| 1.17 | "Secretary" | the secretary of the Charity (if any); |
| 1.18 | "Service User Director" | has the meaning given in Article 29.1.2(a); |
| 1.19 | "Stakeholder Director" | means a director appointed in accordance with Article 29.1.3; and |
| 1.20 | "Writing" | the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise. |
2. Subject to paragraph 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.
3. Unless the context otherwise requires, words or expressions contained in the Articles which are not defined in paragraph 1 above bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles became binding on the Charity.