

## THE COMPANIES ACTS 1985-1989

COMPANY LIMITED BY GUARANTEE AND NOT  
HAVING A SHARE CAPITAL

## Articles of Association

Of

FTO TRUST FUND LIMITED  
(Adopted by the Company  
on 27<sup>th</sup> June 2008)WEDNESDAY  
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## GENERAL

- 1 In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context

WORDS	MEANINGS
The Act	The Companies Act 1985
The Company	The above-named FTO Trust Fund Limited
The Office	The registered office of the Company
The Seal	The common seal of the Company
Month	Calendar month
In Writing	Written, printed, lithographed, or partly one and partly another, and other modes of representing or producing words in a visible form

And words importing the singular number only shall include the plural number, and vice versa

Words importing the masculine gender only shall include the feminine gender and vice versa

Reference herein to any provisions of the Act shall be a reference to such provisions as modified or re-enacted by any Statute for the time being in force

Subject as aforesaid, any words or expressions defined in the Act or any statutory modifications or re-enactment thereof in force at the date on which these Articles become binding on the Company shall, if not inconsistent with the subject or context, bear the same meanings in these Articles. Save where inconsistent with these Articles (in which case these Articles shall prevail) the Regulations set out in Table C in the First Schedule to the Act shall apply to the Company

## MEMBERS

- 2 (a) The number of Members with which the Company proposes to be registered is eighteen but the Directors may register an increase of Members
- (b) Membership of the Company shall only be open to
  - (i) members for the time being of the Federation of Tour Operators, and
  - (ii) any other travel organiser or travel retailer wishing to arrange for a bond, letter of credit, policy of insurance or similar agreement (a "Bond") to be issued and/or maintained in respect of itself and in favour of the Company
- (c) Every person who wishes to become a Member shall deliver to the Company an application for membership in such form as the Directors require executed by him
- (d) Every application for membership shall be approved by the Directors
- 3 The provisions of Sections 352 and 353 of the Act shall be observed by the Company, and every Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member
- 4 The Company is established for the purposes expressed in the Memorandum of Association
- 5 Each Member of the Company eligible for membership by virtue of Article 2(b) (ii) hereof ("Non FTO Member") shall arrange for a Bond to be issued and maintained in full force and effect in respect of such Member. Such Bond shall be issued to the Company and shall be acceptable to and of an amount, in such form and together with such other related documents as may be prescribed from time to time by the Company. Any new Non FTO Member shall arrange for a Bond to be issued to the Company (a) if that Bond is to be in replacement of or in succession to an existing Bond of the new Non FTO Member, by no later than the first occasion on which that existing Bond shall fall due for renewal or within 1 year of becoming a Member of the Company, whichever is the sooner, or (b) if the new Non FTO Member has no such existing Bond, immediately on becoming a Member of the Company
- 6 Each Member of the Company shall remain a Member until
  - (a) it shall cease to be a Member of the Federation of Tour Operators, where previously it was one,
  - (b) if a Non FTO Member, it shall cease to maintain or cause to be maintained in respect of itself a Bond in favour of the Company,
  - (c) the Member shall notify the Company in writing or otherwise that the Member or any associated or subsidiary company is not in a position to carry out its obligations to its customers and that the Member is not in a position to fulfil such obligations,
  - (d) an order shall be made by the Court for the compulsory winding up of the Member or any subsidiary or associated company,
  - (e) the Member or any subsidiary or associated company shall convene a meeting of its creditors informally or otherwise for the purposes of considering an arrangement with such creditors or pursuant to the provisions of Section 98 of the Insolvency Act 1986,
  - (f) a receiver or administrative receiver shall be appointed over any of the property or assets of the Member or subsidiary or associated company,
  - (g) the Member or any subsidiary or associated company becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or shall cease to carry on its business,

- (h) any application shall be presented for the appointment to the Member or any subsidiary or associated company of an administrator under the Insolvency Act 1986, or
- (i) it shall retire by notice in writing delivered at or sent to the Office

**PROVIDED THAT**, in the case of paragraphs (a) and (b) above, a Member shall continue to remain a Member of the Company, notwithstanding the happening of the event specified in the relevant paragraph, if (and for so long only as) the Directors consent in writing thereto

- 7 The Directors may if they think fit summarily terminate the membership of any Non FTO Member
  - (a) if the Company calls for payment under any Bond or other arrangement issued in respect of such a Member,
  - (b) if such a Member or a partner in a firm which is such a Member or a director or officer of such a Member which is a corporation fails to observe or contravenes any of the provisions of these Articles or is guilty, in the opinion of the Directors, of conduct which renders the firm or corporation unfit to be a Member, or
  - (c) if in the opinion of the Directors any change has occurred in the status, nature or condition of such a Member or other circumstances have arisen, which would make it unfitting or inappropriate for such Member to continue as a Member
- 8 (a) Subject to paragraph (b) below, any Non FTO Member 'aggrieved by the termination of his membership pursuant to Article 7 hereof may appeal to the Members in a General Meeting and, pending the determination of the appeal, his membership shall not be terminated
- (b) There shall be no right of appeal against termination of membership pursuant to Article 7(a) hereof

#### GENERAL MEETINGS

- 9 The Company shall hold a General Meeting in every year as its Annual General Meeting at such time and place as may be determined by the Directors and shall specify the meeting as such in the notice calling it, provided that every Annual General Meeting except the first shall be held not more than fifteen months after the holding of the last preceding Annual General meeting, and that so long as the Company holds its first Annual General Meeting within eighteen months after its incorporation it need not hold it in the year of its incorporation or in the following year
- 10 All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings
- 11 The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by the Directors on such requisition for a date not later than seven weeks after the receipt of such requisition, or in default may be convened by such requisitionists, as provided by Section 368 of the Act
- 12 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 days' notice All other Extraordinary General Meetings shall be called by at least 14 days' notice (exclusive in every case both of the day on which it is served or deemed to be served and of the day for which it is given) but a General Meeting, other than one called for the passing of an elective resolution, may be called by shorter notice if it is so agreed
  - (a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat, and

- (b) in the case of any other meeting, by a majority in numbers of the Members having a right to attend and vote being a majority together holding not less than 95 per cent of the total voting rights at the meeting of all the Members or such lesser percentage, not being less than 90 per cent, as may be specified in or pursuant to any elective resolution passed by the Company'

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an Annual General Meeting, shall specify the meeting as such

The notice shall be given to all the Members and to the Directors and the Auditors

- 13 The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed or proceedings had at any meeting

#### PROCEEDINGS AT GENERAL MEETINGS

- 14 All business shall be deemed special business that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Directors and of the Auditors, and the appointment of and the fixing of the remuneration of the Auditors
- 15 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided one half of the total number of Members for the time being present by their authorised representative shall be a quorum
- 16 If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors shall appoint, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum
- 17 The Chairman of the Board of Directors shall preside as Chairman at every General Meeting, but if at any time there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to preside the Members present shall choose some other Director to take the chair
- 18 The Chairman may, with the consent of any 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, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid the Members shall not be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting
- 19 At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands or by such other method as the meeting may determine. A declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the voters recorded in favour of or against that resolution. Subject to the provisions of the Act, a resolution in writing signed by all the Members for the time being of the Company shall be as valid and

effective as if the same had been passed at a General Meeting of the Company duly convened and held and may consist of several documents in the like form each signed by one or more Members

- 20 (a) A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a General Meeting at which he was present shall be as effectual as if it had been passed at a General Meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members
- (b) A resolution in writing executed in accordance with paragraph (a) above shall be deemed to be duly executed (in the case of a corporation) by a Director or the Secretary thereof. In the case of joint Members the signature of anyone of such joint Member shall be sufficient for the purposes of that paragraph. The Directors shall cause a record of each resolution in writing and of the signatures to it, to be entered in a book in the same way as minutes of a General Meeting of the Company and to be signed by a Director or Secretary of the Company
- 21 In the case of an equality of votes the Chairman of the meeting shall be entitled to a second or casting vote

#### VOTES OF MEMBERS

- 22 At General Meetings of the Company every Member shall have one vote
- 23 A person producing a notice in writing, signed or purporting to be signed by a responsible officer of the Member appointing such person shall be conclusively deemed to have been duly appointed and no further enquiry shall be made as to such persons authority to vote
- 24 Subject to the provisions of the above Article all votes shall be cast personally and proxy voting shall not be allowed

#### DIRECTORS

- 25 Until otherwise determined by the Company in General Meeting the number of the Directors shall not be less than two nor more than ten
- 26 The first Directors shall be appointed by the subscribers to the Memorandum of Association

#### POWERS OF THE DIRECTORS

- 27 The Directors may exercise all the powers of the Company contained in Clause 3 of the Memorandum of Association of the Company
- 28 The business of the Company shall be managed by the Directors, who may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Act or by these Articles required to be exercised or done by the Company in General Meeting subject nevertheless to any regulations contained in these Articles, to the provisions of the Act and to such regulations as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made

- 29 Subject to the provisions of Section 24 of the Act and to Article 33 hereof, in the event of the number of Members of the Company being less than seven, the continuing Directors may continue to act for all purposes

#### BORROWING

- 30 The Directors may exercise all the powers of the Company to borrow money for the purposes of the Company's business provided that the aggregate amount at anyone time outstanding of moneys borrowed by the Directors shall not exceed a sum equivalent to 10 per centum of the amount for the time being owing to the Company without the sanction of the Company in General Meeting first obtained

#### SECRETARY

- 31 The Secretary shall be appointed from time to time by the Directors for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The provisions of Sections 283 and 284 of the Act shall apply and be observed. The Directors may from time to time appoint an assistant or deputy Secretary, and any person so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting

#### THE SEAL

- 32 If the Company has a seal, it shall be issued with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign every instrument to which the seal shall be affixed and every such instrument shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose

#### DISQUALIFICATION OF DIRECTORS

- 33 The office of a Director shall be vacated if the Member by whom he was employed at the date of his appointment ceases for any reason to be a Member of the Company in accordance with Articles 6 or 7 hereof, or if he ceases to be employed by the Member by whom he was employed at the date of his appointment as a Director or if the Member by whom he is employed is a member of the Federation of Tour Operators and notifies the Company in writing that he has ceased to be an accredited representative of that Member to the Federation of Tour Operators

#### ROTATION OF DIRECTORS

- 34 At the first Annual General Meeting of the Company all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one third, shall retire from office
- 35 The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot
- 36 A retiring Director shall be eligible for re-election
- 37 The Company at the Meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such Meeting it is expressly resolved

not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the Meeting and lost

- 38 No person other than the Director retiring at the Meeting shall unless recommended by the Directors be eligible for election to the office of Director at any General Meeting unless, not less than three nor more than twenty one days before the date appointed for the Meeting, there shall have been left at the Office notice in writing, signed by a Member duly qualified to attend and vote at the Meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected
- 39 The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office
- 40 The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles Any Directors so appointed shall hold office only until the next following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such Meeting
- 41 The Company may by Ordinary Resolution, of which special notice has been given in accordance with Section 379 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company
- 42 The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article Without prejudice to the powers of the Directors under Article 40 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director The person appointed to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director

#### ALTERNATE DIRECTORS

- 43 (a) Any Director who is not an employee, consultant or representative of any particular Member shall be entitled to nominate any other person or category of persons approved for that purpose by resolution of the Board, to act as an Alternate Director in his place in respect of any meeting which the Director cannot attend or during any period of absence overseas or during illness or holiday and at his discretion to revoke such nomination Each Alternate Director while so acting shall exercise and discharge all the functions, powers, duties and obligations of the Director he represents A nomination as Alternate Director shall ipso facto be revoked if the appointor ceases for any reason to be a Director It shall not be necessary to send separate notice of any Board or other meeting of the Company to any Alternate Director apart from the notice to the Director himself
- (b) Any appointment or removal of an Alternate Director shall be delivered at the Office
- (c) If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an Alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor

## PROCEEDINGS OF THE DIRECTORS

- 44 (a) The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Subject as herein stated, unless otherwise determined by the Company by Ordinary Resolution, four Directors shall form a quorum for all business transacted at meetings of Directors EXCEPT THAT if the business to be transacted at the meeting is the consideration of a resolution that the Company should call for payment under any Bond issued in favour of the Company in respect of a Member because the Company has reasonable grounds for believing the Member cannot carry out its obligations to its customers, and if such Member has in writing admitted that it cannot meet its obligations to its customers and has in writing either requested the calling for such payment or consented to it, THEN in such case the quorum shall be any two Directors.
- (b) Questions arising at any meeting of the Directors shall be decided by a simple majority of votes and in case of equality of votes the Chairman shall have a second or casting vote.
- (c) Any Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board of Directors by notice to the Directors.
- (d) A Director who is absent from the United Kingdom, other than a non-Member Director who has appointed an Alternate Director in his place, shall not be entitled to notice of any Board Meeting.
- (e) Any Director or member of a committee of the Board may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 45 The first Chairman of the Board of Directors shall be that person appointed as Chairman by a simple majority of the Members and shall hold office until the termination of the first Annual General Meeting of the Company. Such appointment shall be made by instrument in writing signed by or on behalf of the relevant majority and shall take effect upon lodgement of the instrument at the Office. Thereafter the Chairman of the Board of Directors shall be that person appointed as Chairman by such a majority as aforesaid at each Annual General Meeting of the Company and each Chairman so appointed shall hold office from the date of his appointment until determination of the Annual General Meeting next following the Annual General Meeting at which he was appointed. If at any meeting such Chairman be not present within five minutes after the time appointed for holding the meeting and willing to preside, or if no such Chairman shall for the time being be appointed the Directors present shall choose one of their number to be Chairman of the meeting.
- 46 A meeting of the Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Directors generally.
- 47 All acts bona fide done by any meeting of the Board of Directors or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director, or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director.
- 48 A Director, notwithstanding his interest but subject to his complying with Section 317 of the Act shall be entitled to vote in respect of any contract, matter or arrangement in which he is interested, and may be counted in the quorum at any meeting at which any such matter is considered, provided that no Director shall be entitled to vote in respect of, or be counted in the



quorum at any meeting which considers, any matter or arrangement concerning a company by which he is employed or an associated or subsidiary company of that company or a company in respect of which the company by which he is employed has issued a Bond in favour of the Company the moneys payable under which have not become payable to the Company

- 49 The Directors shall cause proper minutes to be made of all appointments of officers made by the Directors of the proceedings of all meetings of the Company and of the Board of Directors, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated
- 50 A resolution in writing signed by all Directors for the time being of the Company including the Chairman of the Board of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and constituted and may consist of several documents in the like form each signed by one or more Directors
- 51 (a) The Directors may delegate any of their powers to any committee consisting of one or more Directors Any committee shall have power, unless the Directors otherwise direct, to co-opt as a member or members of the committee any person or persons not being a Director of the Company for any specific purpose or business
- (b) The Directors may also delegate to any Managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying

#### NOTICES

- 52 A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter, addressed to such Member at his registered address as appearing in the register of Members
- 53 Any Member described in the register of Members by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but save as aforesaid, only those Members who are described in the register of Members by an address within the United Kingdom shall be entitled to receive notices from the Company
- 54 Any notice, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted as a prepaid letter
- 55 Every Director of the Company and every Alternate Director shall be entitled to receive notices of General Meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Act
- 56 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including telex, facsimile and electronic mail, and a notice communicated by such forms of immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed

## INDEMNITY

- 57 Subject to the provisions of and so far as may be consistent with the Act, but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court

## DISSOLUTION

- 58 Clause 7 of the Memorandum of Association of the Company relating to the winding up and dissolution of the Company shall have effect as if the provisions thereof were repeated in these Articles

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

Martin d'Se1ncourt BRACKENBURY  
29 Thornton Avenue  
London  
W4 IQE

Company Director

Justin Vandermere FLEMING  
5 Hanover Crescent  
Brighton  
East Sussex  
BN2 2SB

Tour Operator and Travel Agent

DATED this 4th day of August, 1993

WITNESS to the above Signatures

A1an Ernest FLOOK  
48 First Avenue  
Newhaven  
East Sussex  
BN99HT

Company Secretary