

THE COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF
EUROPEAN TOUR OPERATORS ASSOCIATION LIMITED

(Adopted by special resolution passed on 6th November 2003)

Preliminary

In these articles:

"**the Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

"**the Association**" means the European Tour Operators Association Limited;

"**the articles**" means the articles of the company;

"**clear days**" in relation to the period of a notice means 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;

"**executed**" includes any mode of execution;

"**office**" means the registered office of the company;

"**the seal**" means the common seal of the company;

"**secretary**" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;

"the United Kingdom" means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

Objects

1. The Association is established for the purposes expressed in the memorandum of association.

Membership

2. The company must keep a register of members as required by the Act.
3. Membership of the Association shall consist of Tour Operator Members, and Associate Members and except where otherwise expressly stated any reference to a "member" in these articles shall include any person granted any of such memberships referred to in this article 3 and "membership" shall be construed accordingly. For the purposes of the Memorandum of Association, only Tour Operator Members shall be deemed to be members of the Association.
4. The first members of the Association are the signatories to the memorandum of association and these articles and every person who at the date of incorporation of the Association had paid a subscription fee to, and was a member of the unincorporated Association known as, the European Tour Operators Association, and who, on or before 31 January 2004, or during such extended period as the directors may determine, signs and delivers to the secretary of the Association the form of membership prescribed by the directors.
5. Tour Operator Membership shall be open to tour operators who rely primarily upon the international marketplace for their passenger base, and those who operate intra-European tours to more than one European country and those intermediaries who market European travel products.
6. Associate Membership shall be open to suppliers to the tour operator industry and are included in one of the following categories:
 - (a) shops and stores, tourist attractions and services and restaurants;
 - (b) airlines, coach operators, cruise lines, ground handlers and hotels;

- (c) tourism related organisations such as national inbound tour operators associations.
7. Associate Membership shall be open to any business that satisfies the directors that it has sufficient connection with the objects of the Association or is otherwise connected with the interests of Tour Operator Members of the Association.
8. The Associate Members shall not be entitled to receive notice of or vote at a general meeting of the Company. Associate Members shall be entitled to receive notice of and vote at a separate meeting of that class of membership for the purposes of appointing a director pursuant to article 41. All the provisions of the Articles relating to the general meetings of the Company shall (so far as applicable), mutatis mutandis, apply to every such separate meeting save that no member shall be entitled to notice thereof or to attend thereat unless he is an Associate Member, and the necessary quorum shall be 10 persons present.
9. Those applying for admission are admitted as members by the directors, and pay a subscription. Every application for membership must be in one of the forms set out in article 67 or another form approved by the directors. Every application for membership must be accompanied by two references from companies who ought not be suppliers of goods or services to the applicant member. At the next meeting of the directors (or any committee of the directors established for the purposes of considering applications for admission) after the receipt of any application for membership, the application must be considered by the directors (or committee) who must decide whether to admit or reject the applicant. The directors are not required to give reasons for their decision.

Subscription

10. The annual and other subscription fee payable by members of the Association are to be such as the directors from time to time prescribe.
11. Every application for membership must be accompanied by the appropriate subscription fee and in the event of non-admittance the remittance will be returned to the candidate.

Notice of resignation

12. Any member wishing to resign membership of the Association must give notice in writing to the secretary to be deposited at the registered office of the Association not less than 3 months prior to the end of the membership year in any year, failing which the member must pay the subscription for the following year.

Non payment of subscription

13. Any member whose annual subscription is unpaid three months after the subscription falls due, ceases to be a member of the Association and forfeits all right in and claim upon the Association and its property unless the directors suspend the operation of this provision, which they may do as regards any particular member on such terms as they determine at their discretion.

Expulsion of members

14. In the event that a company breaches the criminal or civil law in relation to the carrying on of any trade, business or undertaking of the member, or makes any composition or arrangement with its creditors, or substantially changes its trading purpose, so that it no longer has any identification with the objects of the Association or ceases to trade, that member ipso facto ceases to be a member of the Association.
15. If the conduct of any member is in the opinion of the directors injurious to the character or reputation of the Association or objectionable in any respect, that member may be required by the directors to resign, and, if the member does not resign within one week, the member may (after being given the opportunity to justify or explain its conduct) be expelled by resolution of the directors and then ceases to be a member of the Association, and all sums that have been paid by the member are forfeited.
16. A Tour Operator Member expelled under article 15 may appeal by giving written notice of appeal to the secretary within 10 days from the posting of the notice of expulsion.
17. Upon receipt of a notice of appeal an extraordinary meeting must be convened within 14 days and, if that meeting passes an extraordinary resolution rescinding the expulsion, then the member must be reinstated as from the date of the resolution.
18. Any member expelled in accordance with these articles or otherwise ceasing to be a member of the Association, forfeits all right to or claim upon the Association or its property or funds or any return of fees paid and remains liable for any outstanding fees or charges due from him at the date of expulsion or cessation.

General Meetings

19. The Company must hold a general meeting in each year as its AGM, in addition to any other meetings held in that year. The interval between the date of one AGM and the date of the next must not be more than 15 months. The directors will choose the time and place of the AGM. All general meetings of the Company other than AGMs are called Extraordinary General Meetings.

20. The directors may call a general meeting at any time; and must call a general meeting if they receive a requisition by the members of the Company in accordance with the Act.
21. An AGM and a meeting called for the passing of a special resolution must be called by at least 21 clear days' notice, and all other general meetings must be called by at least 14 clear days' notice. A meeting of the Company may be called by shorter notice if it is so agreed:
 - (a) in the case of an AGM, by all the members entitled to attend and vote at that meeting; and
 - (b) in the case of any other meeting, by members holding at least 95% of the total voting rights at that meeting of all the members.
22. The notice must specify the place, date and time of the meeting, and the general nature of all items of the business to be transacted; and must, in the case of an AGM, specify the meeting as an AGM. The text of all special, extraordinary and elective resolutions to be proposed at the meeting must be set out in the notice
23. Notice must be given to the members of the Company, to the directors, and to the auditors; but if anyone entitled to receive notice does not receive it, this does not invalidate the proceedings at the meeting if the failure to notify was accidental.

Proceedings at General Meetings

24. A general meeting is not valid unless a quorum of Tour Operator members of the Company is present throughout the meeting. Save as herein otherwise provided ~~ten~~ Tour Operator members personally present shall be a quorum.
25. If a quorum is not present within half an hour after the time set for the meeting, the meeting is automatically adjourned to the same day in the next week, at the same time and place, or to another day, time and place decided by the directors.
26. Chairman of the board of directors will preside as Chairman of every general meeting of the Company. If there is no Chairman of the board of directors, or if he is not present within fifteen minutes after the time appointed set for the meeting, or is unwilling to act, those directors present at the meeting must elect one of themselves to be Chairman of the meeting.
27. If at any general meeting no director is willing to act as Chairman, or if no director is present within fifteen minutes after the time set for the meeting, the members of the Company present must choose one of themselves to be Chairman of the meeting.

28. The Chairman may adjourn the meeting with the consent of any quorate meeting (and must if required by a simple majority of the members present at the meeting), but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No notice is required of an adjourned meeting unless the meeting is adjourned for 30 days or more, in which case notice must be given as in the case of the original meeting.
29. At any general meeting, a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands). Subject to the Act, a poll may be demanded:
- (a) by the Chairman; or
 - (b) by at least three members of the Company having the right to vote present in person or by proxy; or
 - (c) by any member or members of the Company present in person or by proxy and representing not less than 10% of the total voting rights of all the members of the Company having the right to vote at the meeting.
30. Unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or lost on a show of hands, whether unanimously or by a particular majority, and an entry to that effect in the minutes, is conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
31. The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the Chairman. The withdrawal of a demand for a poll does not invalidate the result of a show of hands declared before the demand for the poll is made.
32. Except as provided in article 33, if a poll is demanded it may be taken in such manner as the Chairman directs but the Chairman has no authority in exercising this power to extend the poll to members of the Company who are not present at the meeting in question. The result of the poll is deemed to be the resolution of the meeting at which the poll was demanded.
33. A poll demanded on the election of a Chairman, or on a question of adjournment of a meeting, must be taken immediately. A poll demanded on any other question may be taken at such time as the Chairman directs. If there is an interval before the time for closing the poll, the meeting may deal with any business other than the business being determined by poll.

Votes of Members

34. On a show of hands every Tour Operator Member of the Company present in person (or in the case of a company by its duly authorised representative) shall have one vote. On a poll every Tour Operator Member present in person or by proxy shall have one vote. A resolution proposed at any general meeting will be approved if at least one half of the votes cast at the meeting are in favour of the resolution, except where the Act or these articles prescribes a different majority. No member save for a Tour Operator Member shall be entitled to receive notice of or vote at any general meeting. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

Proxies and Representatives

35. A Tour Operator Member of the Company may appoint a proxy to attend general meetings in his place and to vote on a poll. The proxy form must be in writing in the form set out in article 68 (one-way proxy form) or 69 (two-way proxy form) or as near to one of those forms as possible, and signed by the Tour Operator Member or by another person under a power of attorney granted by a member. In the case of a Tour Operator Member which is a company, the proxy form must be in writing and signed by two directors or a director and the secretary of that company. A proxy must be a Tour Operator Member.
36. The proxy form (and the power of attorney, if any, under which it is signed, or a copy of that power certified by a solicitor) must be deposited at the registered office of the Company, or at another place within the United Kingdom specified for that purpose in the notice convening the meeting, not less than 48 hours before the time set for the meeting or adjourned meeting in question; or, in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll. If this article is not complied with the proxy form is invalid.
37. A vote given or poll demanded by a proxy for a Tour Operator Member, or by the authorised representative of a Tour Operator Member which is an organisation remains valid despite the previous revocation of the authority of proxy or representative unless notice of revocation was received by the Company at its registered office before the start of the meeting or adjourned meeting in question.

Directors and Officers

38. The directors of the Association are the Chairman, President, Vice Chairman, Treasurer and not less than 1 nor more than 20 other directors elected as provided in these articles. In the case of an equality of votes the chairman has a casting vote.

39. The officers of the Association are the Chairman, President, Vice Chairman, Treasurer and Secretary.
40. The first directors of the Company are those named in the statement submitted to the registrar of companies on incorporation of the Company. The directors shall not be subject to retirement by rotation.
41. The Associate Members as a class shall be entitled to appoint not more than 3 directors of the Company and to remove such directors and to make all necessary appointments to fill any vacancy arising.
42. No person may be appointed as a director at any general meeting of the Company unless:
- (a) he is recommended by the directors; or
 - (b) at least 28 clear days before the date appointed for the meeting, notice executed by a member of the Company qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment, together with notice executed by that person of his willingness to be appointed or re-appointed.
43. A notice of a general meeting of the Company must include the name of any person who is recommended by the directors for appointment as a director at the meeting, or in respect of whom notice has been duly given to the Company under article 42 above.
44. The Company may by ordinary resolution appoint as a director a person who is willing to act, either to fill a vacancy or as an additional director.
45. The directors may co-opt as a director a person who is willing to act, either to fill a vacancy or as an additional director. A director co-opted by the directors under this article will hold office only until the next following AGM. If a co-opted director is not re-appointed at that AGM, he will automatically vacate office at the end of the meeting.
46. A technical defect in the appointment of a director does not invalidate a decision taken at a board meeting if the directors present were not aware of the defect at the time of the meeting.
47. A director will cease to be a director:
- (a) if he resigns his directorship by giving notice to the Company;

- (b) upon death, or if he becomes bankrupt or makes any arrangement with his creditors, or becomes of unsound mind, or is convicted of an indictable offence for which he is sentenced to a term of imprisonment;
 - (c) if in relation to the member company he represents:
 - (i) distress or execution is levied against any of the member company's assets and is not paid or discharged within seven days or a receiver is appointed with respect to any of the member company's assets; or
 - (ii) a petition is presented for the winding up of or for an administration order to be made in relation to the member company; or a resolution passed for the member company's winding up (other than a voluntary winding up for the purposes of amalgamation or reconstruction); or
 - (iii) the member company suspends or threatens to suspend payment of its debts or is deemed unable to pay its debts under S.123 Insolvency Act 1986; or ceases or threatens to cease to carry on its business (or any part of its business);
 - (d) if he is removed by a simple majority of the members of the Company, following the procedure laid down in Section 303 of the Act; or
 - (e) if he is disqualified under the Company Directors Disqualification Act 1986 or otherwise; or
 - (f) if the company he represents ceases to be a member or he ceases to work for that company.
48. The directors have control over all the affairs and property of the Company, and may exercise all the powers of the Company, except as otherwise provided by the Memorandum of Association of the Company and these articles, or by any Rules made pursuant to article 64. Every director has one vote at a board meeting.
49. A director may call a board meeting at any time and the secretary must call a board meeting if requested to do so by a director. The board may convene and regulate its meetings as it thinks fit. Questions arising at any board meeting will be decided by a majority of votes.
50. A board meeting is not valid unless a quorum is present throughout the meeting. The quorum is one half of the directors then holding office.

51. The Chairman of the board will preside at every board meeting. If at any board meeting the Chairman is not present within fifteen minutes after the time set for the start of the meeting, the directors present must choose one of their number to be Chairman of the meeting. In the case of an equality of votes on any question the Chairman has a second or casting vote.
52. The board may delegate any of its powers to a managing director and to committees consisting of such directors, members of the Company and others as it thinks fit, in the exercise of the delegated powers, any managing director or committee must conform to any regulations which may be imposed by the directors or by Rules made under article 64.

Steering Committee

53. The board may delegate the running of the affairs of the Company, control of the property of the Company, and the exercise of the powers of the Company, to a Steering Committee consisting of such persons as are elected by the members of the Company in general meeting and in accordance with the Memorandum of Association of the Company and these articles, or by any Rules made pursuant to article 64.

Benefits to Directors

54. The directors are entitled to receive such remuneration, expenses, and other benefits as the directors determine.

Secretary

55. The Company must have a secretary who will normally also be the executive director failing which the secretary will be appointed by the board on whatever terms the board thinks fit. If there is no secretary capable of acting, anything required or authorised to be done by or to the secretary may be done by any director authorised generally, or specially for that purpose, by the board.

Seal

56. The Company is not required to have a common seal. If the Company has a common seal, it may only be used by the authority of the board. Every document bearing an impression of the common seal must be signed by a director, and countersigned by the secretary or by a second director.

Notices, Meetings and Resolutions

57. The following articles 58 to 63 apply to meetings and resolutions of, and notices given to, the board, committees of the board, and the Company in general meeting; and “member” means a director, committee member or a member of the Company in general meeting as the context requires.
58. Any notice to be given under these articles must be in writing. The Company may give any notice to a member by handing it to him personally, or by sending it by post (airmail in the case of overseas members who have given no address for service within the United Kingdom) in a prepaid envelope addressed to the member at the address shown in the Company’s register of members, or by leaving it at that address. Where the member has given to the Company a fax number or e-mail address to which notices may be sent electronically, the Company may give a valid notice by means of fax or e-mail.
59. A member present in person at any meeting is taken to have received notice of the meeting and, where necessary, of the purposes for which it was called.
60. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given to a postal address. Electronic confirmation of receipt shall be conclusive evidence that a notice was given to a facsimile number or e-mail address. A notice is deemed to be given at the expiration of 48 hours after it was handed to the member, posted or (as the case may be) transmitted by fax or e-mail.
61. Subject to the provisions of the Act (and in particular in the case of a resolution of the members of the Company, to any requirement to submit the proposed resolution to the auditors), a resolution in writing signed by all the members entitled to attend and vote at a meeting is as valid and effective as if it had been passed at a meeting properly convened and held. Any resolution in writing may consist of two or more documents in similar form, each signed by one or more members. Digital signatures and faxed signatures will suffice for the purpose of this article.
62. A member entitled to attend and vote at a meeting may participate by means of a telephone conference or other facility enabling all people participating in the meeting to hear each other; and participation in a meeting in this manner is taken to be presence in person at the meeting.
63. The secretary or a director must take minutes of proceedings at all meetings, and the minutes must be authenticated and kept in accordance with the requirements of the Act.

Rules

64. The directors may establish Rules for any purposes required from time to time for the effective operation of the Company or the furtherance of the Objects, including the levying of annual subscriptions or membership fees; provided that if there is a conflict between the terms of these articles or the Memorandum of Association of the Company and any Rules established under this article, the terms of the Memorandum and Articles will prevail.

Indemnity

65. Subject to the Act, but without affecting any indemnity to which he may otherwise be entitled, every director and every officer of the Company, will be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, alleging liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, and in which judgment is given in his favour, or in which he is acquitted, or in connection with any application in which relief is granted to him by the Court.
66. Subject to the Act, the Company may purchase and maintain for any director or for any officer of the Company, insurance cover against any liability which may attach to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which he or she may be guilty in relation to the Company, and against all costs, charges, losses, expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company under article 65.

Forms

67. The form of the application for membership referred to in article 4 is as follows.

To the Board of [*European Tour Operators Association Limited*]

[*name of Organisation*] whose registered office/principal place of business is at [*address of registered office/principal place of business*] applies for Tour Operator Membership/ Associate Membership of [*European Tour Operators Association Limited*], subject to the provisions of the Memorandum and Articles of Association of the Company and to the Rules. It agrees to pay to the company an amount of up to £1 if the company is wound up while it is a member or for up to 12 months after it has left the Company. [(*If appropriate:*) It agrees to pay a subscription of [*amount*] on [*date*], and to pay any membership fee levied in accordance with the Company's Rules.]

Authorised

Signature:

Name:

Position:

Date:

68. The one-way proxy form referred to in article 35 is as follows:

[Name of Company]

I, [name]
of [address]
being a member of the above Company, appoint [name of proxy]
of [address of proxy]
or failing him/her [name of alternative proxy]
of [address of alternative proxy]
as my proxy to vote for me on my behalf at the General Meeting of the Company to be held on [date] and at any adjournment, and to join in any demand for a poll in accordance with the articles.

Signed:

Date:

69. The two-way proxy form referred in article 35 is as follows:

[Name of Company]

I, [name]
of [address]
being a member of the above Company, appoint [name of proxy]
of [address of proxy]
or failing him/her [name of alternative proxy]
of [address of alternative proxy]
as my proxy to vote for me on my behalf at the Annual/Extraordinary* General Meeting of the Company to be held on [date] and at any adjournment, and to join in any demand for a poll in accordance with the articles.

Signed:

Date:

This form is to be used *in favour of/against the resolution.

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

*Strike out whichever you do not want.

