

Company Number: 5372198

ARTICLES OF ASSOCIATION

of

ACTIVITIES INDUSTRY MUTUAL LIMITED

(A Company limited by guarantee and with no share capital)

INTERPRETATION

1. In these Articles:-

'The Acts' means the Companies Acts (as defined in section 2 of the Companies Act 2006), as amended from time to time.

'These Articles' mean these Articles of Association in their current form or as altered from time to time by special resolution.

'The Board' means the Board of Directors for the time being of the Mutual.

'Activities Provider' means any Corporate, Trust, individual, Partnership engaged in whole or part in the provision of outdoor or other activities to third parties, or in the design and/or provision of adventure activities equipment to third parties, or any similar organisation at the discretion of the Board.

'Director' means a duly appointed director of the Mutual.

'Entered Member' means an Activities Provider entered for discretionary indemnity with the Mutual as set out in its Certificate of Entry issued pursuant to the Rules or, as the context may require, any of them.

'Independent Director' means a Director who is neither a member nor an officer of any Member.

'Manager' means a person appointed as such in accordance with Article 32 of these Articles.

'Member' means an Activities Provider accepted and continuing as such in accordance with these Articles.

'Member's Representative' is as defined in the Rules.

'Mutual' means the Activities Industry Mutual Limited.

'The Rules' means the document issued in accordance with Article 33 of these Articles.

'Seal' means the common seal of the Mutual and includes any official seal of the Mutual.

'Secretary' means any person appointed to perform the duties of a secretary of the Mutual.

The Regulations contained in Table C forming part of the Companies (Tables A - F) Regulations 1985 and any statutory modification or re-enactment thereof shall not apply to the Mutual.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word *Directors* in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any Manager or agent of the Mutual to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

BUSINESS

2. The business of the Mutual shall consist of all the matters and things set forth in the Memorandum of Association or any of them and shall be conducted under the control of the Board according to the terms of these Articles and the Rules.

MEMBERS

3. [DELETED]
4. Any Activities Provider is eligible for membership of the Mutual.
5. An Activities Provider desiring to become a Member of the Mutual shall apply in such form as may be required by the Board.
6. If the Board is satisfied that the applicant is eligible for membership it may, in its sole and absolute discretion, admit the Activities Provider to membership and the name of the Activities Provider will be entered on the register of Members. The Board is not obliged to give reasons for any refusal to admit the Activities Provider to membership.
7. [DELETED]
8. Membership shall be personal to the Activities Provider concerned and is not transferable.
9. A Member shall cease to be a Member immediately upon any of the following events occurring:-

- (a) the Bankruptcy of the Member
- (b) the dissolution of the Member;
- (c) a resolution being passed or an order made for the winding up of the Member other than for the purposes of reorganisation;
- (d) the Member making any composition or arrangement with its creditors;
- (e) a receiver, manager, or administrator being appointed over the assets or undertaking of the Member; or

Provided always that such Member shall be and remain liable to pay to the Mutual all such calls, contributions and moneys as under these Articles or the Rules such Member is expressed to be liable to pay.

BOARD OF DIRECTORS

- 10. The Board shall consist of a maximum of nine Directors and a minimum of three Directors.
- 11. 11.1 Each Director nominated by a Member must be and remain, whilst holding office, a member or officer of that Member, except that the Mutual may appoint or elect to the Board one Independent Director at any time.
 - 11.2 Each Director, whether nominated by a Member or an Independent Director, must be an approved person under the terms of the Financial Services & Markets Act 2000.
- 12. 12.1 The retirement of Directors
 - 12.1.1 At the first Annual General Meeting all the Directors shall retire from office, and subject to Article 12.1.2 at every subsequent Annual General Meeting one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire
 - 12.1.2 Subject to the Directors to retire by rotation having served at least three (3) years in office, the Directors to retire by rotation shall be those who have been longest in office since their last election or re-election, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
 - 12.1.3 A retiring Director shall retain office until the conclusion of the meeting at which that Director retires.
 - 12.1.6 A Director shall retire from office at the Annual General Meeting following his seventy-fifth birthday, and may thereafter offer himself for re-election annually.

12.2 The appointment of Directors

12.2.1 A nomination for the appointment of a Director who has not held office previously shall be in writing, signed by a proposer and a seconder who shall both be Member Representatives and by the nominee.

12.2.2 A retiring Director shall be eligible for re-election provided the conditions of Article 11 which are applicable to him are still satisfied at the time of re-election.

12.2.3 In the case of an Independent Director, the nomination must be made by the Chairman and supported by at least three other Directors. It shall be lodged with the Secretary at least twenty-five (25) days before the general meeting at which the nomination is contemplated.

12.2.4 An alphabetical list of the candidates' names shall be sent to Member Representatives with the notice of the relevant general meeting.

12.2.5 Balloting lists shall be prepared containing the names of the candidates in alphabetical order.

12.2.6 (a) At the meeting each Member Representative shall be entitled to vote for any such number of the candidates as does not exceed the number of vacancies by one of the following methods:

(i) secret postal ballot; or

(ii) at the General Meeting in person or by proxy

(b) (i) The secret ballot shall be conducted in the following manner. The Member Representative shall complete the following form or a form as near thereto as circumstances admit:

"I,....., the Member Representative ofa Member of Mutual, have within the envelope attached to this form enclosed my ballot paper for the election of Directors at the General Meeting of the Mutual to be held on the day of 19... and at any adjournment of that meeting.

Signed Dated"

(ii) The Board shall determine the procedure by which the ballot envelopes are opened.

12.2.7 If there is an insufficient number of candidates nominated, the Directors may provide candidates to fill the vacancies.

12.2.8 Subject to Article 11, the Directors may, at any time and from time to time, appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number for the time being fixed. The Board shall notify the Membership of such an appointment. Any Director so appointed shall hold office only until the next Annual General Meeting but shall then stand for re-election.

DIRECTORS

13. (a) The Mutual may by ordinary resolution:
- (i) remove any Director from office; or
 - (ii) appoint as a Director any person who has consented to act in accordance with Article 12.2.
- (b) A resolution under Article 13(a)(i) above must have been proposed in writing, delivered to the Mutual at least twenty-eight (28) days prior to the general meeting and distributed to Members at least twenty-one (21) days prior to the general meeting at which such a resolution is to be considered.
- 14.1 The remuneration of the Directors shall be such sum (if any) as shall from time to time be voted to them by company in general meeting, such sum to be divided amongst the Directors as follows in order of priority:
- (i) as specified by the resolution by which it is voted;
 - (ii) as the Directors shall resolve;
 - (iii) equally.
- 14.2 The Directors' remuneration shall be deemed to accrue from day to day.
15. The Directors may be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Mutual or in connection with the business of the Mutual.
- 16.1 The office of Director shall become vacant if the Director:-
- (a) ceases to be a Director by virtue of the Acts;
 - (b) ceases to be an approved person under the terms of the Financial Services & Markets Act 2000;
 - (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (d) resigns his or her office by notice in writing to the Association;
 - (e) is removed from office pursuant to these Articles;
 - (f) ceases to be associated with a Member subject only to Article 11 above;
 - (g) has absented himself or herself (such absence not being absence with leave or by arrangement with the Directors on the affairs of the Mutual) from three (3) consecutive meetings of the Directors and the Directors resolve that his or her office should be vacated.

- 16.2 The office of Director shall become vacant if the Activities Provider which nominated the Director ceases to be a Member.
17. Subject to a Director disclosing his or her interest in accordance with the Acts that Director is not disqualified by his or her office from:-
- (a) entering into any contract agreement or arrangement with the Mutual;
 - (b) holding an office of profit under the Mutual;
 - (c) becoming or remaining a Director of any corporation in which the Mutual is in any way interested or which is in any way interested in the Mutual;
 - (d) attending and voting at any meeting of the Directors in respect of any contract agreement arrangement matter or thing in which he or she is interested; or
 - (e) attending and voting at any meeting of the Directors in respect of proposed amendments to the Rules or other matters which affect all Members equally.
- Provided always that a Director shall not be entitled to attend and vote at any meeting of the Directors in respect of any claim made pursuant to the Rules by the Member with whom the said Director is associated.
18. A contract, agreement or arrangement entered into by or on behalf of the Mutual in which any Director is in any way interested is not for that reason void or voidable and a Director shall not be liable to account to the Mutual for any profits accruing to him or her.

POWERS AND DUTIES OF DIRECTORS

19. The business of the Mutual shall be managed by the Directors who may pay all expenses incurred in promoting and forming the Mutual and may exercise all of the powers of the Mutual which are not by the Acts or by these Articles required to be exercised by the Mutual in general meeting. Without prejudice to the generality of the foregoing, the Board shall, in accordance with the Rules, determine the contributions to be paid by each Entered Member in respect of each indemnity year (as defined in the Rules). The Entered Members' contributions shall constitute the funds of the Mutual. The Board shall consider all claims made by Entered Members under the Rules and may, in its sole and absolute discretion and in accordance with the Rules, grant from the funds of the Mutual to any such Entered Member an indemnity wholly or in part in respect of the claim made by such Entered Member.
20. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit; two Directors may at any time and the Secretary shall on the requisition of two Directors summon a meeting of the Directors.
21. Until otherwise determined by the Directors, three Directors shall form a quorum for a meeting of Directors.

22. A meeting of Directors may be held by telephone or teleconference or in any other way the Directors think fit.
23. Questions arising at a meeting of the Directors shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors, and on any equality of votes the chairman of the meeting, in addition to his or her deliberative vote (if any), has a casting vote.
24. In the event of a vacancy or vacancies in the office of a Director or offices of Directors the remaining Directors may act, but if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum or of convening a general meeting of the Mutual.
25. The Directors may delegate any of their powers to a committee or committees consisting of one or more Directors and other persons as they think fit and may revoke such delegation.
26. A committee shall exercise the powers delegated to it in accordance with any directions of the Directors and power so exercised shall be deemed to have been exercised by the Directors.
27. The proceedings of any committees shall be conducted in the same manner as meetings of the Directors.
28. The Directors and any committee of the Board may elect one of their number as a chairman of their meetings and, subject to annual re-election by the Board, may determine the period for which he or she is to hold office; if no such chairman is elected or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the meeting or is unwilling to act, those present shall elect one of their number to be a chairman of the meeting.
29. A resolution in writing signed by each of the Directors for the time being entitled to receive notice of a meeting of the Directors or by all members of a committee for the time being duly convened and held shall be valid and effectual as a resolution passed at a meeting of the Directors, or as the case may be, of such committee and such resolution may consist of several documents in like form each signed by one or more Directors.
30. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be Director or a member of the committee or to act as a Director or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified, to be a Director or to be a member of the committee.
31. The Directors shall cause minutes to be made of all proceedings of general meetings of the Mutual, of meetings of the Directors and of any committees of the Board and of the attendances thereat and of all appointments of officers made by the Directors. Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, shall be evidence of the

proceedings.

32. The Board may appoint independent Managers to manage any or all aspects of the business of the Mutual on such terms, including the payment of remuneration to the Managers as they think fit.
33. The Board shall make Rules from time to time prescribing:
- (a) the form of application for admission to membership of the Mutual;
 - (b) the nature and extent of the cover provided by the Mutual to Entered Members and the exclusions therefrom provided that all such cover shall be available on a discretionary basis only; such discretion to be exercised by the Board or, if so delegated by the Board, by a committee or the Managers;
 - (c) the basis upon which claims from eligible persons shall be considered by the Board;
 - (d) the amounts of contributions to the Mutual to be paid from time to time;
 - (e) the obligations of the Mutual and the Entered Members in respect of their claims;
 - (f) such other matters incidental to the activities of the Mutual as the Directors think fit and may alter the Rules from time to time as the Directors consider appropriate. Provided always that such alterations to the Rules shall not take effect until either the beginning of the next indemnity year (as defined in the Rules) or the Members approve the alterations by passing a resolution in general meeting, such resolution requiring two-thirds (2/3) of the votes cast for and against to be cast in favour in order to be passed, whichever shall first occur.

GENERAL MEETING

34. A general meeting may be convened:
- (a) by any person upon the authority of a resolution of the Directors
- Or
- (b) upon the requisition of Members representing not less than one tenth of the total voting rights of the Members having at that date the right to vote at general meetings.
35. A notice of a general meeting must specify the place, the day and the hour of meeting and the general nature of the business to be transacted (and in the case of an Annual General Meeting specifying the meeting as such) and must give at least twenty-one (21) days notice in the case of an Annual General Meeting or of a meeting at which a special resolution is to be considered and in any other case at least fourteen (14) days notice.

Provided always that a general meeting, other than a meeting 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 Members entitled to attend and vote;

And

- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote, being
 - (i) a majority together holding not less than such percentage of the total voting rights as has been determined by elective resolution of the Members in accordance with the Acts; or
 - (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent (95%) of the total voting rights.

36. No business may be transacted at any general meeting unless a quorum of Member's is present at the time when the meeting proceeds to business.

37. Two Members constitute a quorum of Members.

38. If a quorum is not present within half an hour from the time appointed for a meeting:

- (a) where the meeting was convened by a Member or upon the requisition of Members, the meeting shall be dissolved; or
- (b) in any other case:-
 - (i) the meeting stands adjourned to the same day in the next week at the same time and place or to such other day and place as the Directors may determine;
 - (ii) and if at the adjourned meeting a quorum is not present within half an hour from the time fixed for the meeting then subject to any requirement of law the Members present shall be a quorum.

39. If the Directors have elected one of their number to be chairman of their meetings, that person shall preside as chairman at every general meeting of the Mutual; otherwise, or if that person is not present within 15 minutes after the appointed time of the meeting or is unwilling to act, the Members present shall elect one of their number to be chairman of the general meeting.

40. 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 the business left unfinished at the meeting from which the adjournment took place.

41. When a meeting is adjourned for thirty (30) days or more notice of the adjourned meeting shall be given as in the case of an original meeting, but

otherwise it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

42. At any general meeting a resolution put to the vote of the meeting shall be decided either by a unanimous show of hands or a poll.
43. A poll shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was demanded.
44. In the case of an equality of votes the chairman of the meeting at which the poll is demanded has, in addition to his or her deliberative vote (if any), a casting vote.
45. At a general meeting:
 - (a) Each Member may only be represented by its Member Representative or failing whom a duly appointed proxy.
 - (b) The number of votes each Member shall have will be determined on the Member's annual turnover as declared in their last proposal to the Mutual, as follows:

Turnover	Number of Votes
Under £150,000	One (1)
£150,001 to £500,000	Two (2)
£500,001 to £1,000,000	Three (3)
£1,000,001 to £5,000,000	Four (4)
£5,000,001 plus	Five (5)

46. No person shall be appointed to be a proxy unless he/she is a member or officer of a Member or a Director. The instrument appointing a proxy:
 - (a) shall be in writing under seal or under the hand of an officer duly authorised;
 - (b) shall be deemed to confer authority to demand or join in demanding a poll;
 - (c) shall be in or to the effect of the following form or a form as near thereto as circumstances admit:-

"We... , being a Member of the Mutual, hereby appoint as our proxy to vote for us on our behalf at the general meeting of the Mutual to be held on the ____ day of ____, 20__ and at any adjournment of that meeting. This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No 1 for* against*

Resolution No 2 for* against*

Unless otherwise instructed, the proxy may vote as he /she thinks fit or abstain from voting.

Signed:..... Dated:.....”

(d) shall not be treated as valid unless the instrument and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power or authority is or are deposited with the Mutual in accordance with the requirements of this Article 48.

47. The documents referred to in Article 46(d) shall be deposited at the registered office not less than 24 hours before the meeting to which the proxy relates.

48. A vote given in accordance with an instrument of proxy or of a power of attorney is valid notwithstanding the revocation of the instrument (or of the authority under which the instrument was executed) or of the power under which it was signed if no intimation in writing of the revocation has been received by the Mutual at its registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

SECRETARY

49. The Secretary for the time being of the Mutual holds office upon such terms and conditions, as to remuneration and otherwise, as the Directors determine.

SEAL

50. The seal shall be used only by the authority of the Directors, and every document to which the seal is affixed shall be signed by a Director and countersigned by a Director or the Secretary.

ACCOUNTS

51. The Board shall cause proper accounting and other records to be kept in accordance with the provisions of the Acts. The Board shall from time to time in accordance with the Acts cause to be prepared and to be laid before the Mutual in general meeting such income and expenditure accounts, profit and loss accounts, balance sheets and reports as are specified in the Acts. A copy of every balance sheet (including every document required by the Acts to be annexed thereto) which is to be laid before the Mutual in general meeting, together with a copy of the auditor's report, shall at least twenty-one (21) days before the date of the meeting be sent by post to every Member and to the auditors. The Board shall from time to time determine whether and to what extent and at what times and places and under what condition or regulations the accounting records and other documents of the Mutual or any of them will be open to the inspection of Members and no Member shall have the right of inspecting any documents of the Mutual except as provided by law or authorised by the Board or by the Mutual in general meeting.

AUDITORS

52. The Mutual shall at each Annual General Meeting appoint auditors to hold office until the next Annual General Meeting. Their duties will be regulated in accordance with the Acts.

INDEMNITY

53. Every officer, auditor or agent or manager of the Mutual shall be indemnified out of the property of the Mutual against any liability incurred by that person in that person's capacity as officer, auditor or agent or manager in defending any proceedings, whether civil or criminal, in which judgment is given in that person's favour or in which that person is acquitted or in connection with which any application in relation to any such proceedings or in which relief is under the Acts granted to that person by the Court. The Directors may exercise all the powers of the Mutual to purchase and maintain for any Director, auditor, officer, manager or any other person, insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

NOTICES

54. Subject to the Acts, the Mutual may send or supply documents and information to Members in any way permitted by the Acts, including by making them available on the Mutual's website as and when the Board considers it appropriate to do so. The deemed delivery provisions of section 1147(4) Companies Act 2006 shall apply in respect of a document or information sent or supplied by means of the Mutual's website.
55. (a) Notice of every general meeting shall be given in the manner herein before authorised to:-
- (i) every Member Representative entitled to vote at the meeting;
 - (ii) the Auditor for the time being of the Mutual; and
 - (iii) every Director of the Mutual
- (b) No other person is entitled to receive notices of general meetings.

WINDING UP

56. In the event of the winding up of the Mutual, after its liabilities have been satisfied, the remaining assets of the Mutual shall be distributed by reference to the Liquidation Proportion of each eligible Entered Member, calculated as follows:

- (a) The Liquidation Proportion of each eligible Entered Member shall be a fraction (a) the numerator of which is the sum obtained by aggregating the amount of the Contributions calculated in accordance with the Rules paid by such Entered Member for the Indemnity Year (as defined in the Rules) in which the winding up is commenced or if earlier the last Indemnity Year of the Mutual in respect of which the Mutual issued any Certificates of Entry under the Rules ('the Last Indemnity Year') and (to the extent applicable) for the four preceding indemnity years and (b) the denominator of which is the sum obtained by aggregating the sum obtained pursuant to (a) hereof in respect of all eligible Entered Members (such fraction being expressed as a percentage to two decimal places).
- (b) An Activities Provider shall be an eligible Entered Member and entitled to participate in a distribution to be made pursuant to this Article 56 if it was an Entered Member of the Mutual during the Last Indemnity Year of the Mutual or (to the extent applicable) any time during the four preceding Indemnity Years.