

Air Travel Trust

Aviation House, Beehive Ringroad, Crawley, West Sussex RH6 0YR

Schedule of Terms incorporated into Joint Bonds provided to the ATT Trustees

Whereas:

- A) the ATOL holders each hold, or have applied for, an ATOL or a variation to an ATOL or the CAA has proposed that their ATOLs be varied, suspended or revoked;
- B) it was or is a condition of grant or variation of each of those ATOLs or the CAA's decision not to revoke, suspend or vary each of those ATOLs that each of those ATOL holders arranges for a Standard Bond to be provided to the ATT Trustees for the Amount(s) determined by the CAA; and
- C) in substitution for that condition, the ATT Trustees have agreed to the imposition of a condition that together the ATOL holders can arrange for a Joint Bond for the Amount(s) referred to in this Joint Bond.

Definitions and Interpretations

1. In this Joint Bond the following expressions shall have the following meanings:
 - 1.1 **Amount** means, in respect of any period stated in the Joint Bond the sum of money which the Obligor is liable to pay to the ATT Trustees in the event of a Demand being made during such Period.
 - 1.2 **ATOL** and an **ATOL holder** have the same meanings as under the ATOL Regulations.
 - 1.3 **ATOL Regulations** means the Civil Aviation (Air Travel Organisers' Licensing) Regulations for the time being in force under section 71 of the Civil Aviation Act 1982 (as amended from time to time).
 - 1.4 **ATT** means the Air Travel Trust constituted by the ATT Deed.
 - 1.5 **ATT Deed** means the Trust Deed dated 5 January 2004 made between the Secretary of State and the persons described in it as being the original Trustees as amended, supplemented or substituted from time to time.
 - 1.6 **ATT Payment Policy** means the policy of payments from the ATT under the ATT Deed published by the ATT Trustees from time to time.
 - 1.7 **ATT Trustees** means the trustees for the time being of the ATT including any Replacement ATT Trustee.
 - 1.8 **Authorised Signatory of the Obligor** means a person notified in writing by the Obligor to the ATT Trustees as being authorised to sign bonds and other instruments on behalf of the Obligor, provided that at the time of signature the ATT Trustees have not been informed in writing by the Obligor that the person is no longer an Authorised Signatory of the Obligor.
 - 1.9 **Bond Money** means money paid or payable to the ATT Trustees by the Obligor in accordance with Clause 7 below.
 - 1.10 **Consumer** has the same meaning as under the ATOL Regulations.
 - 1.11 **Demand** means a notice in writing signed on behalf of the CAA sent to the Obligor by means of post, hand delivery or facsimile transmission at the address in the United Kingdom that it has notified to the CAA for such purpose.
 - 1.12 **Failure of an ATOL holder** has the same meaning as in the ATOL Regulations and any reference in this Deed to '**failure of the ATOL holder**' shall be construed accordingly.
 - 1.13 **Insolvency** has the same meaning as under the ATOL Regulations.
 - 1.14 **Notice of ATOL holder Failure** means a notice of the Failure of an ATOL holder published by the CAA in the CAA's Register of Failed ATOL Holders pursuant to the ATOL Regulations.
 - 1.15 **Other Obligor** means a person who is an obligor pursuant to an Overlapping Joint Bond.
 - 1.16 **Overlapping Joint Bond** is a Joint Bond provided to the ATT Trustees in respect of the same ATOL holders as this Joint Bond, for which the period covered by such bond overlaps in whole or in part with any Period under this Joint Bond.
 - 1.17 **Period** means each period set out against an Amount in this Joint Bond, being, the time during which the Obligor remains liable in respect of the Amount set out against it and in which the CAA may make a Demand for that Amount pursuant to Clause 6.

Each Period shall end at 5.00pm on the last day of that Period so long as that day is a day (other than a Saturday or Sunday) on which banks are open for business in London, and otherwise shall end at 5.00pm on the next day (other than a Saturday or Sunday) on which banks are open in London.

- 1.18 **Priority Schedule (Joint Bonds)** means a schedule provided to the CAA and ATT Trustees, in a form published by the CAA in its Official Record and signed by an Authorised Signatory of the Obligor and of one or more Other Obligors, which indicates the sequence in which Bond Money from this Joint Bond and bond monies paid under Overlapping Joint Bonds shall be applied by the ATT Trustees.
- 1.19 **Replacement ATT Trustee** means any person who replaces an existing ATT Trustee or who is appointed to act as an ATT Trustee in addition to any other ATT Trustees pursuant to the ATT Deed.
- 1.20 **Variation Joint Bond** is a Joint Bond provided as a condition of the CAA granting a variation to an existing ATOL.
- 1.21 **Working Day** means any week day other than Saturdays, Sundays, Christmas Day, Good Friday or any bank holiday under the Banking and Financial Dealings Act 1971.
- 2 In this Joint Bond:
- a) the use of the singular includes the plural and vice versa;
 - b) unless the contrary intention appears, a reference to a document is a reference to that document as amended, supplemented or novated from time to time; and
 - c) a person includes any individual, company, corporation, unincorporated association or body, organisation or other entity.

Commencement Date and Remaining in Force

- 3 This Joint Bond will take effect from the start of the Period (or the start of the first Period if more than one is specified).
- 4 This Joint Bond will remain in force until:
- a) it is released by the CAA at the absolute discretion of the CAA; or
 - b) the liability under it extinguishes following payment in full under Clause 8.

Limited recourse against the ATT Trustees

- 5 The ATT Trustees enter into this Joint Bond only in their capacities as trustees of the ATT. The recourse of the Obligor to the ATT Trustees or any of them under this Joint Bond is limited to an amount equal to the aggregate value of the assets comprised in the ATT from time to time. The Obligor has no recourse to any assets of an ATT Trustee held either:
- a) as trustee or co-trustee of any trust other than the ATT; or
 - b) by that ATT Trustee in his personal capacity.

Obligor's Obligations under This Joint Bond

- 6.1 The CAA may serve on the Obligor a Demand where an authorised signatory of the CAA has signed a Notice of ATOL holder's Failure in respect of that ATOL holder and has placed a copy of that Notice on the CAA's Register of Failed ATOL Holders.
- 6.2 A Demand will be deemed to have been served once it has been sent by the CAA by one of the methods set out in Clause 1.11.
- 7 In consideration of the grant by the CAA of an ATOL to one or more of the ATOL holders, the variation of an ATOL held by one or more of the ATOL holders or the CAA permitting one or more of the ATOL holders to continue to hold an ATOL, or not suspending one or more of the ATOLs or permitting one or more of the ATOL holders to continue to hold an ATOL without a variation that the CAA would otherwise require to be made to that ATOL, as the case may be, the Obligor shall within five working days after service of a Demand, which will be conclusive against the Obligor for all purposes other than mathematical error or fraud, pay to the ATT Trustees the Amount set out against the Period during which the Demand is made.
- 8 The liability of the Obligor to pay the Amount for any Period shall automatically extinguish at the end of that Period if no Demand has been served by the CAA during that Period. The liability of the Obligor under this Joint Bond:
- a) shall automatically extinguish if no Demand has been served by the CAA, by the end of the final Period; or
 - b) shall expire if the CAA serves a Demand in accordance with Clause 6 and the Obligor pays to the ATT Trustees the Amount in accordance with Clause 7.

ATT Trustees' Obligations under This Joint Bond

- 9 Where the CAA has issued a Demand and the ATT Trustees have received in full the Bond Money payable pursuant to such Demand from the Obligor, the ATT Trustees will place on interest bearing deposit any part of that Bond Money which they do not immediately require for the purposes referred to in Clause 10.
- 10 The ATT Trustees may use the Bond Money and any interest received thereon for the purpose of achieving any objective of any power conferred on the ATT Trustees by the ATT Deed, in accordance with the ATT Payment Policy, arising from or consequent to or in relation to the Failure of the ATOL holder.

- 11 When in the reasonable opinion of the ATT Trustees no further payments will be required pursuant to the ATT Deed and the ATT Payment Policy, the ATT Trustees will:
- a) repay to the Obligor, or another person nominated to the ATT Trustees in writing by the Obligor, an amount equal to such part of the Bond Money and any interest earned thereon (net of tax, charges, expenses and other similar costs) that has not been spent; and
 - b) provide to the Obligor a written statement of expenditure in relation to any part of the Bond Money and any interest earned thereon (net of tax, charges, expenses and other similar costs) that has been spent, provided always that the amounts the ATT Trustees have expended within the scope of Clause 10 are subject to the ATT Trustees' absolute discretion.
- 12 Nothing in this Joint Bond and no action taken by the parties under this Joint Bond shall create any trust over any part of the Bond Money or over any interest earned on it in favour of the Obligor or constitute the ATT Trustees or the CAA as a trustee for the Obligor or the Obligor as trustee for either the ATT Trustees, the CAA or the Consumer in respect of any such money.

Overlapping Joint Bonds

- 13 Where at the time a Demand is made one or more Other Obligors are liable under one or more Overlapping Joint Bonds, this Joint Bond will rank:
- a) equally with all such Overlapping Joint Bonds where no Priority Schedule (Joint Bonds) has been provided to the CAA and ATT Trustees; or
 - b) where a Priority Schedule (Joint Bonds) has been provided to the CAA and ATT Trustees, in accordance with that Priority Schedule (Joint Bonds), except that where this Joint Bond is a Variation Bond it will rank equally with any bond specified in that Priority Schedule (Joint Bonds) as a primary bond until such time as a Priority Schedule (Joint Bonds) revised to take express account of the Variation Bond signed by the Obligor for each Overlapping Joint Bond is provided to the CAA and ATT Trustees.
- 14 Notwithstanding the provisions of Clause 13, in circumstances where:
- a) this Joint Bond was provided for the grant or variation of an ATOL which has subsequently expired;
 - b) a new bond in replacement for this Joint Bond has been provided to the ATT Trustees and accepted by the CAA in respect of a new ATOL in continuation of that expired ATOL;
 - c) the new ATOL has been granted; and
 - d) the Period (or, where more than one period is specified, the first Period) of the new bond has commenced, the CAA may not issue a Demand under this Joint Bond.

The Contract (Rights of Third Parties) Act 1999

- 15 A person who is not a party to this Joint Bond has no right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Joint Bond.

Jurisdiction and Governing Law

- 16 This Joint Bond shall be governed by and construed in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with it.