

Air Travel Trust

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

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

Whereas:

- A) the ATOL holder holds, or has applied for, an ATOL or a variation of an ATOL or the CAA has proposed that its ATOL be varied, suspended or revoked;
- B) it was or is a condition of the grant or variation of that ATOL or the CAA's decision not to revoke, suspend or vary the ATOL that the ATOL holder arranges for a Standard Bond to be provided to the ATT Trustees in the terms of this Standard Bond for the Amount(s) referred to in this Standard Bond.

Definitions and Interpretations

1. In this Standard Bond the following expressions shall have the following meanings:

- 1.1 **Amount** means, in respect of any period stated in the Standard 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 Standard Bond.
- 1.16 **Overlapping Standard Bond** is a Standard Bond provided to the ATT Trustees in respect of the same ATOL holder as this Standard Bond, for which the period covered by such bond overlaps in whole or in part with any Period under this Standard Bond.
- 1.17 **Period** means each period set out against an Amount in this Standard 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 (Standard 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 Standard Bond and bond monies paid under Overlapping Standard 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 Bond** is a Standard 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 Standard 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 Standard 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 Standard 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 Standard 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 Standard 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 Standard Bond

- 6.1 The CAA may, at its sole discretion, serve on the Obligor Demands for either a portion of the value of the Standard Bond or the full value of the Standard Bond 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. In the event that only a portion of the value of the Standard Bond has been demanded by the CAA, the CAA may, for a period of 24 months from the date of the first Demand, and at its sole discretion, serve on the Obligor additional Demands for the remaining value of the Standard Bond.
- 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 the ATOL holder, the variation of an ATOL held by the ATOL holder or the CAA permitting the ATOL holder to continue to hold the ATOL, or not suspending the ATOL or permitting the ATOL holder to continue to hold the 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 Standard 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 either a Demand or multiple Demands in accordance with Clause 6 and the Obligor pays to the ATT Trustees the full value of the Standard Bond in accordance with Clause 7.

ATT Trustees' Obligations under This Standard 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 Standard Bond and no action taken by the parties under this Standard 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 Standard Bonds

- 13 Where at the time a Demand is made one or more Other Obligors are liable under one or more Overlapping Standard Bonds, this Standard Bond will rank:
- a) equally with all such Overlapping Standard Bonds where no Priority Schedule (Standard Bonds) has been provided to the CAA and ATT Trustees; or
 - b) where a Priority Schedule (Standard Bonds) has been provided to the CAA and ATT Trustees, in accordance with that Priority Schedule (Standard Bonds), except that where this Standard Bond is a Variation Bond it will rank equally with any bond specified in that Priority Schedule (Standard Bonds) as a primary bond until such time as a Priority Schedule (Standard Bonds) revised to take express account of the Variation Bond signed by the Obligor for each Overlapping Standard Bond is provided to the CAA and ATT Trustees.
- 14 Notwithstanding the provisions of Clause 13, in circumstances where:
- a) this Standard Bond was provided for the grant or variation of an ATOL which has subsequently expired;
 - b) a new bond in replacement for this Standard 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 Standard Bond.

The Contract (Rights of Third Parties) Act 1999

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

Jurisdiction and Governing Law

- 16 This Standard 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.