

21 May 2020

**CIRCULAR TO AIRCRAFT FINANCIERS & LESSORS**  
**RE AIRCRAFT PROTOCOL AGREEMENT -**  
**PROTOCOL DEADLINE - URGENT**

**Virgin Australia Holdings Ltd**  
**and certain entities listed in Schedule A**  
**(All Administrators Appointed) (the Companies or Virgin Australia)**

Dear Aircraft Lessors and Financiers,

Firstly, a big thank you to all lessors/financiers and their technical representatives and legal counsel that have spent considerable time over the last four weeks working with us through the voluntary administration process and particularly finalising the Aircraft Protocols. We have appreciated the constructive approach taken by the parties and your implicit support for the future of Virgin and we hope that we have, in turn, addressed any concerns you had about the status of your valuable aircraft/collateral.

To briefly recap, the Aircraft Protocol is intended to strike a critical balance between:

- allowing us to maximise the prospects of selling Virgin as a going concern, to secure a new investor for the greater benefit of creditors generally, including lessors and secured financiers, all at a time when the operations of the Virgin group are at a small fraction of the pre-Covid environment; and
- recognising that you have repossession rights under the Cape Town Convention (CTC) that may only be modified with your agreement in circumstances where you are satisfied we have agreed to preserve and maintain the value of your aircraft and/or engines, including a reasonable payment for use, pending completion of the sale process or the return of your aircraft.

We hope you agree that we have, together, struck that balance. A near final form of the Aircraft Protocol Agreement (**Protocol**) has now been provided to you or your respective legal counsel. We have received significant support for the approach taken, and the Protocol is now progressing to execution phase with various financiers and lessors in relation to numerous aircraft and engines.

As foreshadowed, we request that where possible each Protocol be in agreed form for execution by Sunday 24 May 2020 or if not possible, as soon as practical thereafter.

To that end, the administrators, their legal counsel and the Virgin team will work closely with all parties over the coming days to populate the relevant information in the schedules to the respective Protocols and settle and, where feasible, arrange for execution of Protocols which are confirmed to be in agreed form. Given the support shown by a large majority of lessors and financiers, the administrators are optimistic that each Protocol can be agreed in the near future.

**Process to execution and proposed Court application**

As you know, we have been working towards having these Protocols signed before 26 May 2020, which is the date on which the period in order 9 of the orders made by Justice Middleton on 24 April 2020 expires. While that remains our ambition, having taken on board the feedback we have received in relation to the timing for compliance with internal protocols and/or sign-off approvals within various lessor organisations (which may not be completed or achievable within that time frame), for prudence the administrators intend to apply to the Court to seek an extension of the period referred to in order 9 of the orders made by Justice Middleton on 24 April 2020, to 16 June 2020, to facilitate signing of the agreed form of Protocol by all relevant parties by that deadline.

The Court has listed the proposed application for hearing for **Monday 25 May 2020 at 10:15am**. The application and supporting evidence is presently being finalised and will be made available for download by you once they have been filed, but in any event by close of business on Friday 22 May 2020. We will also provide your legal counsel with a copy of this circular.

The administrators confirm that upon receiving from you your executed counterpart of the Protocol, they will promptly sign their counterpart and, where your aircraft is being used in the course of the administration, entitlement to the usage charges set out in the Protocol will start in accordance with that document.

Please promptly confirm to Sal Algeri ([saalgeri@deloitte.com.au](mailto:saalgeri@deloitte.com.au)), Grant Sparks ([gsparks@deloitte.com.au](mailto:gsparks@deloitte.com.au)) and Mukhtader Mohammed ([mukmohammed@deloitte.com.au](mailto:mukmohammed@deloitte.com.au)) that you support the above timetable to execution of a Protocol in respect of your aircraft and engines.

Thanks for all your support and we look forward to putting this stage of the Administration behind us and focusing on the sale process and working with you to give you the opportunity to maximise the long term solution for your aircraft within the recapitalised Virgin business.

Yours faithfully



**Sal Algeri**  
Joint and Several Administrator

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## **Schedule A – Virgin Group entities, all Administrators Appointed**

Virgin Australia Holdings Ltd, ACN 100 686 226  
Virgin Australia International Operations Pty Ltd, ACN 155 859 608  
Virgin Australia International Holdings Pty Ltd, ACN 155 860 021  
Virgin Australia International Airlines Pty Ltd, ACN 125 580 823  
Virgin Australia Airlines (SE Asia) Pty Ltd, ACN 097 892 389  
Virgin Australia Airlines Holdings Pty Ltd, ACN 093 924 675  
VAH Newco No.1 Pty Ltd, ACN 160 881 345  
Tiger Airways Australia Pty Limited, ACN 124 369 008  
Virgin Australia Airlines Pty Ltd, ACN 090 670 965  
VA Borrower 2019 No. 1 Pty Ltd, ACN 633 241 059  
VA Borrower 2019 No. 2 Pty Ltd, ACN 637 371 343  
Virgin Tech Pty Ltd, ACN 101 808 879  
Short Haul 2018 No. 1 Pty Ltd, ACN 622 014 831  
Short Haul 2017 No. 1 Pty Ltd, ACN 617 644 390  
Short Haul 2017 No. 2 Pty Ltd, ACN 617 644 443  
Short Haul 2017 No. 3 Pty Ltd, ACN 622 014 813  
VBNC5 Pty Ltd, ACN 119 691 502  
A.C.N. 098 904 262 Pty Ltd, ACN 098 904 262  
Virgin Australia Regional Airlines Pty Ltd, ACN 008 997 662  
Virgin Australia Holidays Pty Ltd, ACN 118 552 159  
VB Ventures Pty Ltd, ACN 125 139 004  
Virgin Australia Cargo Pty Ltd, ACN 600 667 838  
VB Leaseco Pty Ltd, ACN 134 268 741  
VA Hold Co Pty Ltd, ACN 165 507 157  
VA Lease Co Pty Ltd, ACN 165 507 291  
Virgin Australia 2013-1 Issuer Co Pty Ltd, ACN 165 507 326  
737 2012 No.1 Pty. Ltd, ACN 154 201 859  
737 2012 No. 2 Pty Ltd, ACN 154 225 064  
Short Haul 2016 No. 1 Pty Ltd, ACN 612 766 328  
Short Haul 2016 No. 2 Pty Ltd, ACN 612 796 077  
Short Haul 2014 No. 1 Pty Ltd, ACN 600 809 612  
Short Haul 2014 No. 2 Pty Ltd, ACN 600 878 199  
VA Regional Leaseco Pty Ltd, ACN 127 491 605  
VB 800 2009 Pty Ltd, ACN 135 488 934  
VB Leaseco No 2 Pty Ltd, ACN 142 533 319  
VB LH 2008 No. 1 Pty Ltd, ACN 134 280 354  
VB LH 2008 No. 2 Pty Ltd, ACN 134 288 805  
VB PDP 2010-11 Pty Ltd, ACN 140 818 266