

Archived: Wednesday, 20 May 2020 5:29:51 PM

From: Irwin, Edwina

To: [REDACTED]

Cc: [REDACTED]

[REDACTED] Algeri, Sal; Sparks, Grant; Mohammed, Mukhtader; Hassall, Rosie; Virgin Craft Lessors; 'Billy.Mayberry@virginaustralia.com'; 'Teresa.McAdam@virginaustralia.com'

Subject: Virgin Australia Holdings Ltd and certain entities in the Group (All Administrators Appointed) (Virgin)

Sensitivity: Normal

Hi [REDACTED]

Further to our correspondence with you, as previously advised we will continue to inform you of any updates relating to the Voluntary Administration of the Virgin group companies.

Today the Administrators will be making an application to Court for a number of orders which are intended to facilitate the Administration of the Virgin group companies. These are for the most part administrative in nature and usual for an administration of this size and complexity. There are two orders in particular which we think may be relevant to the lessors and secured financiers of the group and we wish to bring those to your attention ahead of court process being filed.

1. Convening period for the second creditors meeting

As foreshadowed at the first creditors' meeting, we are requesting that this period be extended until 8 August 2020 (which does not prevent the second creditors' meeting being held before then, or the administrators from applying for a further extension). The longer period reflects the complexity of the business and supports the administrators' strategy of seeking a restructuring, recapitalisation and sale of the business.

2. Limited liability of the Administrators

As foreshadowed in the draft protocols provided to you on 1 May 2020, the Administrators are seeking confirmation that the Administrators will not be personally liable to repay any debts or satisfy any liabilities arising under the agreements they enter during the administration to the extent that the assets of the particular Virgin Companies that are a party to the administration are insufficient to satisfy the debt and liabilities incurred by the Administrators arising out of, or in connection with, those agreements. This order is being requested in relation to a wide variety of agreements which the Administrators are causing or have caused the Virgin Companies to enter into as part of the administration.

There is no request made at this stage to extend the duration of the orders made under s443B of the Corporations Act and it is the hope of the Administrators that they can urgently progress execution of a protocol with you which addresses the matters set out in the draft protocol already sent to you. It is the request of the administrators that you target completion of that process and execution of the protocol by **20 May 2020** at the very latest.

Copies of the formal process will be provided to you and your counsel once it is lodged with the court.

As always, feel free to contact us directly with any questions.

Kind regards

Edwina Irwin
Senior Analyst | Financial Advisory
Deloitte Financial Advisory Pty Ltd
Grosvenor Place, PO Box N250, Sydney NSW 1220
D: +61 2 8260 4075
eirwin@deloitte.com.au | www.deloitte.com

Deloitte.



Please consider the environment before printing.