

27 August 2020

TO THE HOLDERS OF AUD150,000,000 8.25% Senior Notes due 30 May 2023 (ISIN: AU3CB0253367) and AUD250,000,000 8.075% Senior Notes due 5 March 2024 (ISIN: AU3CB0261410) (UNLISTED AUD NOTEHOLDERS)

Virgin Australia Holdings Ltd ACN 100 686 226 and subsidiaries (all Administrators Appointed)

We have received correspondence from persons whose names are registered as the holder or joint holder of Notes on the Note Registers (**Registered Holders**), underlying beneficial owners and custodians, of the Unlisted AUD Notes (as defined in the Administrators' report to creditors dated 25 August 2020 (the **Report**) in relation to:

1. the resolutions on which the Registered Holders are entitled to vote (i.e. that the requests for voting instructions they are receiving from their custodians or Registered Holders do not match the resolutions in the Report);
2. the deadlines given to underlying beneficial owners by the custodians and Registered Holders for submitting voting instructions to those persons; and
3. the inability of Registered Holders to split their votes in accordance with their instructions from their beneficial owners.

Whilst it is the responsibility of each Registered Holder to determine the manner and extent to which it needs to receive instructions from underlying beneficial holders with respect to voting at the second meeting of creditors and the process for seeking such instructions in accordance with the contractual documents made between Registered Holders and their underlying beneficial holder clients, we would like to confirm the following matters (defined terms in this circular have the meaning ascribed to them in the Report unless stated otherwise):

Resolutions

The resolutions to be voted on by Registered Holders are as follows (which are set out in Appendix M to the Report on pages 171 to 172):

DOCA Category	Resolutions	FOR or AGAINST or ABSTAIN
Primary DOCA	“That the Companies execute the Primary Deed of Company Arrangement as proposed in the Administrators' report to creditors dated 25 August 2020”	
	“That the Companies should be wound up”	
	“That the administration of the Companies should end”	
	“That a Committee of Inspection be formed for the ensuing Deed of Company Arrangement/Creditors' Trust/Liquidation and that all members of the Committee of Inspection appointed for the purpose of the Voluntary Administration, be appointed to the newly formed Deed of Company Arrangement/Creditors' Trust/Liquidation Committee of Inspection”	

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DOCA Category	Resolutions	FOR or AGAINST or ABSTAIN
International DOCA	“That the Companies execute the International Deed of Company Arrangement as proposed in the Administrators’ report to creditors dated 25 August 2020”	
	“That the Companies should be wound up”	
	“That the administration of the Companies should end”	
	“That a Committee of Inspection be formed for the ensuing Deed of Company Arrangement/Creditors’ Trust/Liquidation and that all members of the Committee of Inspection appointed for the purpose of the Voluntary Administration, be appointed to the newly formed Deed of Company Arrangement/Creditors’ Trust/Liquidation Committee of Inspection”	

In respect of the first three resolutions in the Primary DOCA Category and the first three resolutions in the International DOCA Category, each Registered Holder that wishes to vote will need to select “**FOR**” for one of those three resolutions and vote “**AGAINST**” or “**ABSTAIN**” for the other two resolutions. That is, the first three resolutions in each of the Primary DOCA Category and the International DOCA Category are in the alternative and each Registered Holder must only indicate “For” for one of the three options. For the fourth resolution in the Primary DOCA Category (i.e. Primary DOCA Committee of Inspection) and fourth resolution in the International DOCA Category (i.e. International DOCA Committee of Inspection), each Registered Holder that wishes to vote should select “**FOR**” or “**AGAINST**” or “**ABSTAIN**” in respect of each of these Resolutions.

Voting deadlines

The Administrators do not control and cannot conduct the process which the Registered Holders must undertake in order to take instructions from their underlying beneficial holder clients. Those matters are governed by the contractual documents, clearing house rules and governing law in respect of the Unlisted AUD Notes and are not determined by the Administrators. It is a matter for each Registered Holder as to how it should communicate with any underlying beneficial owners and custodians in respect of the Unlisted AUD Notes and any deadlines it should set for obtaining such voting instructions as it may require. In terms of the timeframes set by the Australian administration process and the Court, we confirm that although each Registered Holder that wishes to vote at the second meeting of creditors is required to submit a proof of debt through the Halo platform by 5:00pm Sydney time on 28 August 2020 and a proxy by 5.00pm Sydney time on 1 September 2020, it is not necessary for the Registered Holders to submit their votes through the Halo platform until the second meeting of creditors on 4 September 2020.

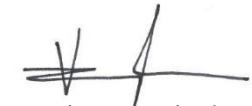
Split voting

The terms of the Unlisted AUD Notes make clear on their terms that it is the person named on the Register as the holder or joint holder of a Note who is entitled to vote as a creditor (and not the beneficial owner) and, once that is accepted, there can be no possibility of the Holder “splitting” its vote. Consistently with all other creditors in an Australian administration, the creditor (Registered Noteholder) will have one vote, in the amount of its total admitted debt.

If a Registered Noteholder would like to amend the amount, they would like to vote for, please provide these details by close of business on Monday 31 August 2020 so that we can adjust the amount to be admitted for voting purposes. Please send these details directly to Matthew Carr at matcarr@deloitte.com.au.

In the event you have any queries regarding the contents of this circular, or the administration in general, please do not hesitate to contact us at virginadmin@deloitte.com.au.

Yours faithfully



Vaughan Strawbridge

Joint and Several Administrator