



HERBERT
SMITH
FREEHILLS

Execution Version

Deed

Deed Poll for Medium Term Notes

Virgin Australia Holdings Limited (ABN 54 100
686 226)



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The deed

Deed Poll for Medium Term Notes

Date ► 17 May 2018

This deed poll is given by:

Issuer	Virgin Australia Holdings Limited
	ABN 54 100 686 226
	of 56 Edmondstone Road, Bowen Hills, Brisbane, Queensland, 4006, Australia
	(Issuer)

in favour of:

Holders	each person who is from time to time a Holder (as defined below)
	(Holders)

Recitals	The Issuer proposes to issue Notes from time to time in registered form constituted by and on the terms of this deed poll.
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This deed poll witnesses as follows:



Operative part

1 Definitions and interpretations

1.1 Definitions

The meanings of the terms used in this deed poll are set out below.

Term	Meaning
Conditions	in relation to a Note, the terms and conditions applicable to the Notes as provided in clause 2.2.
Holder	<ol style="list-style-type: none">1 the person shown in the Register as the holder of the Note; or2 where the Note is jointly owned by one or more persons, the persons shown in the Register as the joint holders of the Note, or in either case, the person otherwise deemed to be the holder of the Note under the terms and conditions applicable to the Note.
Note	a debt obligation issued by this deed poll under clause 2.1.

1.2 Incorporated definitions

In this deed poll capitalised terms not otherwise defined have, in relation to a Note, the meanings given in Attachment 1.

1.3 Interpretation and inclusive expressions

The rules of interpretation set out in clause 1.2 and clause 1.3 of Attachment 1 apply to this deed poll as if references to the Conditions were references to this deed poll.

2 Constitution of Notes

2.1 Creation of Notes

- (a) The obligations of the Issuer under the Notes are constituted by and owing under this deed poll.
- (b) The Issuer issues a Note under this deed poll by:
 - (1) if it has not already done so, appointing a Registrar for the Note and procuring that the Registrar establishes the Register for that Note; and
 - (2) procuring that the Registrar inscribes the details of the Note in the Register.



- (c) A certificate signed by the Issuer stating that a Note has been issued and registered in the name of a particular person is (subject to the terms thereof) conclusive evidence for the purposes of this deed (including for the purposes of any person asserting any rights under this deed) that the steps referred to in this clause 2.1 have occurred, that the Notes have been validly issued and that the person specified is (as of the date specified in the certificate) the registered holder of the Note.
- (d) Where the Issuer has issued a certificate evidencing a Note and the certificate has been lost or destroyed, the Issuer (upon provision by the Holder of such indemnity and evidence of its loss or destruction as is reasonably satisfactory to the Issuer) will issue, or cause the Registrar to issue, a replacement certificate to the Holder at the cost of the Holder.

2.2 Conditions of Notes

Notes will be subject to the terms and conditions specified in Attachment 1, as supplemented, modified or replaced by the applicable Pricing Supplement and (if applicable) any global certificate evidencing those Notes.

2.3 Undertaking to pay and perform

The Issuer irrevocably and unconditionally undertakes to each Holder:

- (a) to pay all amounts due in relation to each Note held by the Holder in accordance with the applicable Conditions; and
- (b) to perform all its other obligations under this deed poll or the applicable Conditions in relation to each Note held by the Holder.

2.4 Taxes

The Issuer must pay any stamp duty or similar tax imposed in the Commonwealth of Australia on the issue of any Notes.

3 Rights and obligations of Holders

3.1 Benefit of deed poll

Each Holder has the benefit of and may enforce this deed poll even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed poll.

3.2 Rights independent

Subject to the Conditions, each Holder may enforce its rights under this deed poll independently from any other Holder (or any other person).

3.3 Holders bound

- (a) The Holder of a Note and any person claiming through the Holder:
 - (1) is taken to have notice of all the provisions of this deed poll, the Deed Poll of Guarantee and the applicable Information Memorandum and Pricing Supplement; and



- (2) is bound by, and must perform its obligations expressed in, this deed poll and the Conditions applicable to the Notes and the Deed Poll of Guarantee.
- (b) A person is not entitled to any right under this deed poll unless they agree to be so bound.

4 Custody of deed poll

4.1 Registrar to hold deed poll

The Issuer will deliver this deed poll to the Registrar (or if there are different Registrars for different Notes, one of the Registrars agreed between the Issuer and the Registrars) to be held in New South Wales or in such other jurisdiction as may be agreed between the Issuer and Registrar.

4.2 Direction from Holders

Each Holder will be taken to have directed the Issuer to deliver this deed poll in accordance with clause 4.1 to be held by the Registrar on behalf of that Holder.

4.3 Provision of copies to Holders

Within 7 Business Days of the Issuer receiving a written request from a Holder to do so, the Issuer must at its expense ensure that the relevant Registrar gives to the Holder a certified copy of this deed poll, the Deed Poll of Guarantee or a certified extract of the Register if the Holder requires the copy in connection with any legal proceeding, claim or action brought by the Holder in relation to its rights under a Note.

5 General

5.1 Governing law and jurisdiction

- (a) This deed poll is governed by the laws of New South Wales.
- (b) The Issuer irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.
- (c) The Issuer irrevocably waives any objection to the venue of any legal process in or of the courts of New South Wales on the basis that the process has been brought in an inconvenient forum.
- (d) The Issuer irrevocably waives any immunity in respect of its obligations under this deed poll that it may acquire from the jurisdiction of any court or any legal process in or of the courts of New South Wales for any reason including the service of notice, attachment before judgment, attachment in aid of execution or execution.

5.2 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this deed poll, or any right, power, authority, discretion or remedy conferred on any person by this



deed poll which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.

- (b) Any provision of, or the application of any provision of, this deed poll which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

5.3 Variation

The Issuer may vary any term of this deed poll or the Conditions by executing a supplementary deed poll, but no such variation will affect the rights or obligations of any Holder in respect of any Note issued prior to that variation unless the variation is permitted by the Conditions applicable to that Note.

5.4 Transfer of obligations

The Issuer is not entitled to transfer all or any of its obligations under this deed poll in relation to any Notes except as expressly contemplated by the applicable Conditions.

5.5 Attorneys

Each of the attorneys executing this deed poll states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed poll

Signed sealed and delivered by
Virgin Australia Holdings Limited
by its attorney

sign here ▶ *McAdam*
Attorney

print name **T.M. McADAM**
Attorney

in the presence of

sign here ▶ *[Signature]*
Witness

print name *BILLY MAYBERLEY*



Attachments

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Form of Global Certificate



Attachment 1

Terms and Conditions

The following are the terms and conditions (**Conditions**) which, as supplemented, modified or replaced by the applicable Pricing Supplement, will be applicable to debt obligations (**Notes**) issued by Virgin Australia Holdings Limited (ABN 54 100 686 226) (**Issuer**) and guaranteed by each Guarantor (as defined below) under the medium term note programme (**Programme**) established by the Issuer pursuant to a dealer agreement dated on or about 17 May 2018 between the Issuer, the Arrangers defined therein and each Dealer as defined therein.

The Notes will be debt obligations of the Issuer under the deed poll entitled “Deed Poll for Medium Term Notes” dated on or about 17 May 2018 and executed by the Issuer (**Deed Poll**), will have the benefit of the guarantee granted by the Guarantors under the deed entitled “Deed Poll of Guarantee” dated on or about 17 May 2018 (**Deed Poll of Guarantee**) and will take the form of entries in a register (**Register**). Notes may be issued in registered uncertificated form, or in registered form evidenced by a Global Certificate. The Notes will be issued in Tranches and each Tranche will be the subject of a separate Pricing Supplement which will supplement, and may modify or replace, these Conditions as they apply to the Notes comprising that Tranche. A Tranche may constitute a separate Series or may be consolidated and form part of a single Series with one or more other Tranches.

Each Holder of a Note is deemed to have notice of, and will be bound by, all the provisions contained in the Deed Poll (including these Conditions and the Meeting Provisions), the Deed Poll of Guarantee, the Information Memorandum, the applicable Pricing Supplement and the applicable Global Certificate (if any). Copies of the Deed Poll, the Deed Poll of Guarantee, the Information Memorandum, the applicable Pricing Supplement and the applicable Global Certificate (if any) are available for inspection by Holders (and potential Holders) during normal business hours at the offices of the Registrar and (upon reasonable prior notice) the Issuer.

1 Definitions and interpretations

1.1 Definitions

The meanings of the terms used in these Conditions are set out below.

Term	Meaning
Additional Amount	has the meaning given in Condition 8.7.
Acquired Debt	with respect to any specified Person: 1 Indebtedness, Disqualified Stock or preferred stock of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into such specified Person, or



Term	Meaning
	<p>became a Subsidiary of such specified Person, to the extent such Indebtedness is incurred or such Disqualified Stock or preferred stock is issued in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into, or becoming a Subsidiary of, such specified Person; and</p> <ol style="list-style-type: none">2 Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.
Affiliate	<p>in respect of any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.</p> <p>For purposes of this definition, "control", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling", "controlled by" and "under common control with" have correlative meanings.</p> <p>No Person (other than the Issuer or any Subsidiary of the Issuer) in whom a Receivables Subsidiary makes an Investment in connection with a Qualified Receivables Transaction will be deemed to be an Affiliate of the Issuer or any of its Subsidiaries solely by reason of such Investment.</p> <p>A specified Person shall not be deemed to control another Person solely because such specified Person has the right to determine the aircraft flights operated by such other Person under a code sharing, capacity purchase or similar agreement.</p>
Agent	<p>in relation to a Note, each of:</p> <ol style="list-style-type: none">1 the Registrar;2 each Paying Agent;3 the Calculation Agent; and4 any additional agent appointed under an Agency Agreement for the Note.
Aircraft Related Equipment	<p>aircraft (including engines, airframes, propellers and appliances), engines, propellers, spare parts, aircraft parts, simulators and other training devices, quick engine change kits, passenger loading bridges or other flight or ground equipment and other operating assets, including any modifications and improvements with respect to any such equipment.</p>
Aircraft Related Facilities	<ol style="list-style-type: none">1 airport terminal facilities, including without limitation, baggage systems, loading bridges and related equipment, building, infrastructure and maintenance facilities, tooling facilities, club rooms, apron, fuelling systems or facilities, signage/image systems, administrative offices, information technology systems and security



Term	Meaning
	systems; <ol style="list-style-type: none">2 airline support facilities, including without limitation, cargo, catering, mail, ground service equipment, ramp control, deicing, hangars, aircraft parts/storage, training, office and reservations facilities; and3 all equipment and tooling used in connection with the foregoing.
Amortisation Yield	in relation to a Note, the amortisation yield (if any) specified in the Pricing Supplement.
Amortised Face Amount	in relation to a Note, an amount equal to the sum of: <ol style="list-style-type: none">1 the Purchase Price; and2 the amount resulting from the application of the Amortisation Yield (compounded annually) to the Purchase Price from (and including) the Issue Date to (but excluding) the date upon which the Note becomes due and repayable or, if that date is not a whole number of years from the Issue Date, the immediately preceding anniversary of the Issue Date; and3 if the date upon which the Note becomes due and repayable is not a whole number of years from the Issue Date, the amount resulting from the application of the Amortisation Yield to the sum of 1 and 2 above, multiplied by the applicable Day Count Fraction (calculated with reference to the period from the immediately preceding anniversary of the Issue Date to the date upon which the Note becomes due and repayable).
Associate	<ol style="list-style-type: none">1 for the purposes of Condition 8.7, an “associate” for the purpose of and as defined in section 128F(9) of the Tax Act; and2 for all other purposes, an “associate” as determined under sections 10 to 17 of the Corporations Act.
Austraclear	Austraclear Ltd (ABN 94 002 060 773).
Austraclear Regulations	the regulations known as the “Austraclear Regulations” established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.
Austraclear System	the system operated by Austraclear in Australia for holding securities and electronically recording and settling transactions in those securities between members of that system.
Australian Dollars or A\$	the lawful currency of Australia.



Term	Meaning
Banking Product Obligation	as applied to any Person, any direct or indirect liability, contingent or otherwise, of such Person in respect of any treasury, depository and cash management services, netting services and automated clearing house transfers of funds services, including obligations for the payment of fees, interest, charges, expenses, attorneys' fees and disbursements in connection therewith. Treasury, depository and cash management services, netting services and automated clearing house transfers of funds services include, without limitation: corporate purchasing, fleet and travel Credit Card and prepaid card programs, electronic check processing, electronic receipt services, lockbox services, cash consolidation, concentration, positioning and investing, fraud prevention services, and disbursement services.
Bankruptcy Custodian	any receiver, trustee, assignee, administrator, liquidator or similar official under any Bankruptcy Law.
Bankruptcy Law	Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law, and the relevant provisions of the Corporations Act 2001 (Cth) of Australia, the New Zealand Companies Act and the law of any other jurisdiction relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganisation, administration, deed of company arrangement, creditor's scheme of arrangement, relief of debtors or any similar proceeding or any amendment to, succession to or change in any such law.
Board	the board of directors of the Issuer.
Business Day	a day on which banks are open in Brisbane and Sydney and any other city specified in the Pricing Supplement, excluding in each case a Saturday, Sunday or public holiday in that place.
Business Day Convention	<p>in relation to a date on or by reference to which a payment on a Note is to be made or calculated, the convention specified in the Pricing Supplement for the adjustment of that date if it would otherwise fall on a date that is not a Business Day, and:</p> <ol style="list-style-type: none">1 if "Following" or (except in the case of an Interest Payment Date for a Fixed Rate Note) no convention is specified, means that the date is postponed to the next Business Day;2 if "Modified Following" is specified, means that the date is postponed to the next Business Day unless that day falls in the next calendar month in which case that date is brought forward to the preceding Business Day;3 if "Preceding" is specified, means that the date is brought forward to the preceding Business Day;4 if "Floating" is specified, means that the date is postponed to the next following day which is a Business Day unless that day falls in



Term	Meaning
	<p>the next calendar month, in which event (i) such date is brought forward to the last Business Day in the calendar month and (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred; and</p> <p>5 if “No Adjustment” (or, in the case of an Interest Payment Date for a Fixed Rate Note, no convention) is specified, means that the date is not adjusted.</p>
Calculation Agent	in relation to a Note, the Calculation Agent specified in the Pricing Supplement (or if none is specified, the Issuer) or any replacement Calculation Agent appointed by the Issuer pursuant to Condition 14.
Calculation Date	the last day of each half of the Issuer’s financial year.
Capital Lease Obligation	at the time any determination is to be made, the amount of the liability in respect of a lease that would at that time be required to be capitalised and reflected as a liability on a balance sheet prepared in accordance with GAAP, and the Scheduled Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.
Capital Stock	<ol style="list-style-type: none">1 in the case of a corporation, corporate stock or shares in the capital of such corporation;2 in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;3 in the case of a partnership, partnership interests (whether general or limited); and4 any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, <p>but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.</p>
Card Acceptance and Processing Agreements	each agreement entered into by the Issuer or any of its Subsidiaries from time to time pursuant to which a Credit Card or travel charge processing service provider or other clearing house processor agrees to acquire or process Credit Card, travel charge or similar transactions in relation to the sale of air travel and other services.
Cash Equivalents	as of the date acquired, purchased or made, as applicable:



Term	Meaning
	<ol style="list-style-type: none">1 marketable securities or other obligations:<ol style="list-style-type: none">(a) issued or directly and unconditionally guaranteed as to interest and principal by the United States or Australian governments; or(b) issued or unconditionally guaranteed as to interest and principal by any agency or instrumentality of the United States or Australian governments, the obligations of which are backed by the full faith and credit of such government, in each case maturing within three years after such date;2 direct obligations issued by any state, commonwealth or territory of the United States of America or Australia or any political subdivision or taxing authority thereof, in each case maturing within three years after such date and having, at the time of the acquisition thereof, a rating of at least A- (or the equivalent thereof) from S&P or A3 (or the equivalent thereof) from Moody's;3 obligations of domestic or foreign companies and their subsidiaries (including, without limitation, agencies, sponsored enterprises or instrumentalities chartered by an Act of Congress, which are not backed by the full faith and credit of the United States), including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities; provided that, in each case, the security has a maturity or weighted average life of one year or less from such date and which has, at the date of such acquisition, a rating of at least A- (or the equivalent thereof) from S&P or A3 (or the equivalent thereof) from Moody's;4 investments in commercial paper maturing no more than one year after such date and having, on such date, a rating of at least A-2 from S&P or at least P-2 from Moody's;5 certificates of deposit (including investments made through an intermediary, such as the certificated deposit account registry service), bankers' acceptances, time deposits, U.S. dollar time deposits, Australian dollar time deposits, New Zealand dollar time deposits, Euro time deposits, British Pound Sterling time deposits, Fiji dollar time deposits, Samoan Tala time deposits, Vanuatu Vatu time deposits, Eurodollar time deposits and overnight bank deposits maturing within three years from such date and issued or guaranteed by or placed with, and any money market deposit accounts issued or offered by, or by any commercial bank organised under the laws of Australia, any state thereof, the United States of America, any state thereof or the District of Columbia that has a combined capital and surplus and undivided profits of not less than US\$250,000,000 (or the foreign dollar equivalent);6 fully collateralised repurchase agreements with counterparties whose long term debt is rated not less than A- by S&P and A3 by Moody's and with a term of not more than six months from such date;7 Investments in money in an investment company registered under the Investment Company Act or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest its assets in obligations of the type described in paragraphs (1) to (6) above, in each case, as of such date, including, but not be limited to, money market funds or short-term



Term	Meaning
	and intermediate bonds funds;
	8 shares of any money market mutual fund that, as of such date:
	(a) complies with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act; and
	(b) is rated AAA (or the equivalent thereof) by S&P and Aaa (or the equivalent thereof) by Moody's;
	9 auction rate preferred securities that, as of such date, have the highest rating obtainable from either S&P or Moody's and with a maximum reset date at least every 30 days;
	10 deposits available for withdrawal on demand with commercial banks organised under the laws of Australia, any state thereof, the United States of America, any state thereof or the District of Columbia having capital and surplus in excess of US\$100,000,000 (or the foreign dollar equivalent);
	11 securities with maturities of three years or less from such date issued or fully guaranteed by any state, commonwealth or territory of the United States of America or Australia or any political subdivision or taxing authority thereof, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A2 by Moody's; and
	12 any other securities or pools of securities that are classified under GAAP as cash equivalents or short-term investments on a balance sheet as of such date.
Clearing System	the Austraclear System or such other system as may be specified in the applicable Pricing Supplement.
Clearing System Regulations	1 in the case of the Austraclear System, the Austraclear Regulations; and 2 in the case of any other Clearing System, its rules and regulations at the relevant time.
Conditions	these terms and conditions, as supplemented, modified or replaced in relation to a Note by the Pricing Supplement.
Consolidated EBITDAR	with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication: 1 an amount equal to any extraordinary loss plus any net loss realised by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets, to the extent such losses were deducted in computing such Consolidated Net Income; plus 2 provision for taxes based on income or profits of such Person and its Restricted Subsidiaries, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income;



Term	Meaning
	plus
3	the Fixed Charges of such Person and its Restricted Subsidiaries, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus
4	any foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were deducted in computing such Consolidated Net Income; plus
5	depreciation, amortisation (including amortisation of intangibles but excluding amortisation of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortisation of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries to the extent that such depreciation, amortisation and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; plus
6	the amortisation of debt discount to the extent that such amortisation was deducted in computing such Consolidated Net Income; plus
7	deductions for grants to any employee of the Issuer or its Restricted Subsidiaries of any Equity Interests during such period to the extent deducted in computing such Consolidated Net Income; plus
8	any net loss arising from the sale, exchange or other Disposition of capital assets by the Issuer or its Restricted Subsidiaries (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the Disposition of fixed assets and all securities) to the extent such loss was deducted in computing such Consolidated Net Income; plus
9	any losses arising under fuel hedging arrangements entered into prior to the Issue Date and any losses actually realised under fuel hedging arrangements entered into after the Issue Date, in each case to the extent deducted in computing such Consolidated Net Income; plus
10	cash restructuring charges in an aggregate amount not to exceed US\$15,000,000 in any fiscal year to the extent such charges were deducted in computing such Consolidated Net Income; plus
11	proceeds from business interruption insurance for such period, to the extent not already included in computing such Consolidated Net Income; plus
12	any expenses and charges that are covered by indemnification or reimbursement provisions in connection with any permitted acquisition, merger, Disposition (including the Velocity Transaction), incurrence of Indebtedness, issuance of Equity Interests or any investment to the extent: <ul style="list-style-type: none">(a) actually indemnified or reimbursed; and(b) deducted in computing such Consolidated Net Income; plus

Term	Meaning
	<p>13 all cost-savings, integration costs, transactional costs, expenses and charges incurred in connection with any permitted acquisition, merger, Disposition (including the Velocity Transaction), incurrence of Indebtedness, issuance of Equity Interests or any investment, in each case, to the extent:</p> <p>(a) permitted under these Conditions; and</p> <p>(b) deducted in computing such Consolidated Net Income; plus</p> <p>14 costs and expenses, including fees, incurred directly in connection with the consummation of this offering of the Notes to the extent deducted in computing such Consolidated Net Income; minus</p> <p>15 non-cash items, other than the accrual of revenue in the Ordinary Course of Business, to the extent such amount increased such Consolidated Net Income; minus</p> <p>16 the sum of (a) income tax credits and (b) Consolidated Interest Income included in computing such Consolidated Net Income;</p> <p>in each case, determined on a consolidated basis in accordance with GAAP.</p>
<p>Consolidated Interest Income</p>	<p>as of any date of determination, the sum of the amounts that would appear on a consolidated income statement of the Issuer and its consolidated Restricted Subsidiaries as the interest income of the Issuer and its Restricted Subsidiaries, determined in accordance with GAAP.</p>
<p>Consolidated Net Income</p>	<p>with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (or loss) of any Unrestricted Subsidiary of such Person), determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; <i>provided that</i>:</p> <p>1 all:</p> <p>(a) extraordinary, non-recurring, special or unusual gains and losses or income or expenses, including, without limitation, any expenses related to a facilities closing and any reconstruction, recommissioning or reconfiguration of fixed assets for alternate uses; any severance or relocation expenses; executive recruiting costs; restructuring or reorganisation costs; curtailments or modifications to pension and post-retirement employee benefit plans;</p> <p>(b) any expenses (including, without limitation, transaction costs, integration or transition costs, financial advisory fees, accounting fees, legal fees and other similar advisory and consulting fees and related out-of-pocket expenses), cost-savings, costs or charges incurred in connection with any issuance of securities (including the Notes), Permitted Investment, acquisition, Disposition, recapitalisation or incurrence or repayment of Indebtedness permitted under the Deed Poll, including a refinancing thereof (in each case whether or not successful) (including, but not limited to, the</p>



Term	Meaning
	Velocity Transaction); and
	(c) gains and losses realised in connection with any sale of assets, the Disposition of securities, the early extinguishment of Indebtedness or associated with Hedging Obligations, together with any related provision for taxes on any such gain, will be excluded;
2	the net income (but not loss) of any Person that is not the specified Person or a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included for such period only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the specified Person;
3	the net income (but not loss) of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;
4	the cumulative effect of a change in accounting principles on such Person will be excluded;
5	the effect of non-cash gains and losses of such Person resulting from Hedging Obligations, including attributable to movement in the mark-to-market valuation of Hedging Obligations pursuant to International Accounting Standards Board International Accounting Standard 39-Financial Instruments: Recognition and Measurement, International Financial Reporting Standard 9-Financial Instruments and IFRS Interpretations Committee IFRIC Interpretation 16-Hedges of a Net Investment in a Foreign Operation will be excluded;
6	any non-cash compensation expense recorded from grants by such Person of stock appreciation or similar rights, stock options or other rights to officers, directors or employees, will be excluded;
7	the effect on such Person of any non-cash items resulting from any amortisation, write-up, write-down or write-off of assets (including intangible assets, goodwill and deferred financing costs) in connection with any acquisition, Disposition (including the Velocity Transaction), merger, consolidation or similar transaction or any other non-cash impairment charges incurred subsequent to the Issue Date resulting from the application of International Accounting Standards Board International Accounting Standard 1-Presentation of Financial Statements, 38-Intangible Assets and 16-Property, Plant and Equipment and International Financial Reporting Standard 3-Business Combinations (excluding any such non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such item is subsequently reversed), will be excluded; and
8	any provision for income tax reflected on such Person's financial statements for such period will be excluded to the extent such provision exceeds the actual amount of taxes paid in cash during



Term	Meaning
	such period by such Person and its consolidated Subsidiaries.
Consolidated Tangible Assets	as of any date of determination, Consolidated Total Assets of the Issuer and its consolidated Restricted Subsidiaries excluding goodwill, patents, trade names, trademarks, copyrights, franchises and any other assets properly classified as intangible assets, determined in accordance with GAAP.
Consolidated Total Assets	as of any date of determination, the sum of the amounts that would appear on a consolidated balance sheet of the Issuer and its consolidated Restricted Subsidiaries as the total assets of the Issuer and its Restricted Subsidiaries, determined in accordance with GAAP.
Corporations Act	the Corporations Act 2001 (Cth).
Credit Card	obligations incurred in connection with any agreement or plan relating to a credit card, debit card, charge card, purchasing card or other similar system.
Day Count Fraction	<p>for the purpose of calculating an amount for any period of time (Calculation Period), the day count fraction specified in the Pricing Supplement, and:</p> <ol style="list-style-type: none">if “Actual/365” or “Actual/Actual” is specified, means the actual number of days in the Calculation Period divided by 365 or, if any portion of the Calculation Period falls in a leap year, the sum of:<ol style="list-style-type: none">the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; andthe actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;if “Actual/Actual (ICMA)” is specified, means:<ol style="list-style-type: none">where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; andwhere the Calculation Period is longer than one Regular Period, the sum of: (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year;if “Actual/365 (fixed)” (or, for the purpose of calculating the interest

Term	Meaning
	<p>payable on a Floating Rate Note for an Interest Period, no day count fraction) is specified, the actual number of days in the Calculation Period divided by 365;</p> <p>4 if “Actual/360” is specified, means the actual number of days in the Calculation Period divided by 360;</p> <p>5 if “30/360” or “Bond Basis” is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year with 360 days with 12 30 day months (unless:</p> <p>(a) the last day of the Calculation Period is the 31st day of a month the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month which includes that last day will not be considered to be short onto a 30 day month; or</p> <p>(b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February will not be considered to be lengthened to a 30 day month));</p> <p>6 if “30E/360” or “Eurobond Basis” is specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30 day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or</p> <p>7 if “RBA Bond Basis” is specified, one divided by the number of Interest Payment Dates in a year or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:</p> <p>(a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and</p> <p>(b) the actual number of days in that at portion of the Calculation Period falling in a non-leap year divided by 365)).</p>
Deed Poll of Guarantee	the deed poll entitled “Deed Poll of Guarantee” executed by each Original Guarantor in favour of the Holders and others on or about the date of the Deed Poll.
Default	any event which, unless cured or waived, is, or after notice or passage of time or both would be, an Event of Default.
Disposition	with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer or other disposition thereof. The terms “ Dispose ” and “ Disposed of ” shall have correlative meanings.



Term	Meaning
Disqualified Stock	any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a Put Event), is convertible or exchangeable for Indebtedness or Disqualified Stock, or is redeemable at the option of the holder of the Capital Stock, in whole or in part (other than as a result of a Put Event) on or prior to the date that is 91 days after the Maturity Date. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Issuer or any Restricted Subsidiary to repurchase such Capital Stock upon the occurrence of a Put Event will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Issuer or such Restricted Subsidiary may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Condition 3.4 hereof. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of the Conditions will be the maximum amount that the Issuer and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.
Dollars or \$	the lawful currency of Australia
Early Redemption Amount	in relation to a Note to be redeemed prior to its Maturity Date: <ol style="list-style-type: none">1 in the case of a Zero Coupon Note, its Amortised Face Amount plus any applicable Early Redemption Premium; or2 in any other case, its outstanding principal amount plus any applicable Early Redemption Premium, or such other amount as may be specified in or determined in accordance with the Pricing Supplement.
Early Redemption Premium	in relation to a Note to be redeemed prior to its Maturity Date under Conditions 6.3, 6.4, 6.5 or 10.2 or in any other circumstance specified in the Pricing Supplement, the amount specified in or determined in accordance with the Pricing Supplement as applicable to such a redemption of the Note or, if no amount or means for determining an amount is specified, zero.
Equity Interests	Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).
Event of Default	any event specified in Condition 10.1.



Term	Meaning
Excluded Contributions	<p>net cash proceeds received by the Issuer after the Issue Date from:</p> <ol style="list-style-type: none">1 contributions to its common equity capital (other than from any Subsidiary); or2 the sale (other than to a Subsidiary or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer or any Subsidiary) of Qualifying Equity Interests, in each case designated as Excluded Contributions on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be. Excluded Contributions will not be considered to be net proceeds of Qualifying Equity Interests for purposes of Condition 3.4(a)(2) hereof.
Existing Indebtedness	<p>all Indebtedness of the Issuer and its Subsidiaries (other than Indebtedness incurred under paragraphs (1) or (23) of the definition of Permitted Debt (as defined in Condition 3.5(b)) in existence on the Issue Date until such amounts are repaid.</p>
Extraordinary Resolution	<p>has the meaning given in the Meeting Provisions.</p>
Fair Market Value	<p>the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by an officer of the Issuer; provided that any such officer shall be permitted to consider the circumstances existing at such time (including, without limitation, economic or other conditions affecting the Australian or United States airline industry generally and any relevant legal compulsion, judicial proceeding or administrative order or the possibility thereof) in determining such Fair Market Value in connection with such transaction.</p>
FATCA	<p>Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended, or any consolidation, amendments, re-enactment or replacement of those sections, and including any current or future regulations or official interpretations issued, agreements entered into (whether by the Issuer, a Related Body Corporate of the Issuer or any other person) or non-US laws enacted in relation to those sections.</p>
Fixed Charge Coverage Ratio	<p>with respect to any specified Person for any specified period, the ratio of the Consolidated EBITDAR of such Person for such period to the Fixed Charges of such Person for such period.</p> <p>If the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated</p>



Term	Meaning
	<p>and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “Calculation Date”), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.</p> <p>In addition, for purposes of calculating the Fixed Charge Coverage Ratio:</p> <ol style="list-style-type: none">1 acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible financial or accounting officer of the Issuer and including any operating expense reductions for such period resulting from such acquisition that have been realised or for which all of the material steps necessary for realisation have been taken) as if they had occurred on the first day of the four-quarter reference period;2 the Consolidated EBITDAR attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) Disposed of prior to the Calculation Date, will be excluded;3 the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) Disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;4 any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;5 any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and6 if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).



Term	Meaning
Fixed Charges	<p>with respect to any specified Person for any period, the sum, without duplication, of:</p> <ol style="list-style-type: none">1 the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period to the extent that such interest expense is payable in cash (and such interest income is receivable in cash); plus2 the interest component of leases that are capitalised in accordance with GAAP of such Person and its Restricted Subsidiaries for such period to the extent that such interest component is related to lease payments payable in cash; plus3 any interest expense actually paid in cash for such period by such specified Person on Indebtedness of another Person that is guaranteed by such specified Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such specified Person or one of its Restricted Subsidiaries; plus4 the product of:<ol style="list-style-type: none">(a) all cash dividends accrued on any series of preferred stock of such Person or any of its Restricted Subsidiaries for such period, other than to the Issuer or a Restricted Subsidiary of the Issuer, times(b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with GAAP; plus5 the aircraft rent expense of such Person and its Restricted Subsidiaries for such period to the extent that such aircraft rent expense is payable in cash, all as determined on a consolidated basis in accordance with GAAP.
Fixed Rate Note	<p>a Note specified in the applicable Pricing Supplement to be a Fixed Rate Note or a Note to which Condition 5.2 is applicable.</p>
Floating Rate Note	<p>a Note specified in the applicable Pricing Supplement to be a Floating Rate Note or a Note to which Condition 5.3 is applicable</p>
GAAP	<p>Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board, which are in effect on the Issue Date. Notwithstanding the foregoing definition, with respect to leases (whether or not they are required to be capitalised on a Person's balance sheet under generally accepted accounting principles in Australia in effect as of the Issue Date) and with respect to financial matters related to leases, including assets, liabilities and items of income and expense, "GAAP" shall mean and determinations and calculations shall be made in accordance with, generally accepted accounting principles in Australia, which are in effect as of the Issue Date.</p>



Term	Meaning
Global Certificate	a certificate in the form of Attachment 3 to the Deed Poll.
Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.
Group	<ol style="list-style-type: none">1 the Issuer;2 each Guarantor; and3 each of their Subsidiaries.
Guarantee	the guarantee granted by each Guarantor in favour of the Holders by executing the Deed Poll of Guarantee or an accession deed thereto.
Guarantor	<ol style="list-style-type: none">1 an Original Guarantor; or2 any other entity which becomes a 'Guarantor' as defined in the Deed Poll of Guarantee by executing an accession deed to the Deed Poll of Guarantee, <p>other than (in either case) an entity which has ceased to be a Guarantor in accordance with the Deed Poll of Guarantee.</p>
Hedging Obligations	with respect to any Person, all obligations and liabilities of such Person under: <ol style="list-style-type: none">1 interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;2 other agreements or arrangements designed to manage interest rates or interest rate risk; and3 other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices.
Holder	a person shown in the Register as the holder of a Note, and in relation to a Note means: <ol style="list-style-type: none">1 the person shown in the Register as the holder of the Note; or2 where the Note is jointly owned by one or more persons, the persons shown in the Register as the joint holders of the Note, <p>or in either case, the person otherwise deemed to be the holder of the Note under the terms and conditions applicable to the Notes.</p>
Indebtedness	with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not



Term	Meaning
	<p>contingent:</p> <ol style="list-style-type: none">1 in respect of borrowed money;2 evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);3 in respect of banker's acceptances;4 representing Capital Lease Obligations;5 representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed, but excluding in any event trade payables arising in the Ordinary Course of Business; or6 representing any Hedging Obligations, <p>if, and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. Indebtedness shall be calculated without giving effect to the effects of International Accounting Standards Board International Accounting Standard 39-Financial Instruments: Recognition and Measurement, International Financial Reporting Standard 9-Financial Instruments and IFRS Interpretations Committee IFRIC Interpretation 16-Hedges of a Net Investment in a Foreign Operation and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.</p> <p>Notwithstanding the foregoing, none of the following will constitute Indebtedness:</p> <ol style="list-style-type: none">(a) Banking Product Obligations;(b) obligations in respect of the pre-purchase by others of frequent flyer miles;(c) maintenance deferral agreements;(d) an amount recorded as indebtedness in the Issuer's financial statements solely by operation of International Accounting Standards Board International Accounting Standard 17-Leases or any successor provision of GAAP but which does not otherwise constitute Indebtedness as defined hereinabove;(e) obligations under Card Acceptance and Processing Agreements;(f) a deferral of pre-delivery or delivery (where the deferral results from a deferral of delivery of the relevant Aircraft Related Equipment) payments relating to the purchases of Aircraft Related Equipment;(g) obligations under flyer miles participation agreements;(h) air traffic liability;



Term	Meaning
	<p>(i) payment obligations in connection with health or other types of social security benefits;</p> <p>(j) maintenance reserves, return compensation and any other amounts or provisions in respect of return conditions for leased aircraft;</p> <p>(k) reserves for capital tax obligations;</p> <p>(l) reserves for obligations under land leases; and</p> <p>(m) reserves for prepaid services that have not been provided.</p>
Information Memorandum	in relation to any Note, the "Information Memorandum" as defined in the applicable Pricing Supplement and includes all information incorporated by reference in it.
Interest Commencement Date	in relation to a Note, the date specified in the Pricing Supplement as its Interest Commencement Date or as the date from which interest accrues or is taken to have accrued on the Note or, if no such date is specified, the Issue Date of the Note.
Interest Payment Date	in relation to a Note, each date specified in or determined in accordance with the applicable Pricing Supplement to be an Interest Payment Date or date for the payment of interest on the Note, subject to adjustment in accordance with the applicable Business Day Convention.
Interest Period	in relation to a Note, each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided that the first Interest Period commences on and includes the Interest Commencement Date of the Note and the final Interest Period ends on but excludes the Maturity Date of the Note (or, if earlier, the day on which it is or is required to be redeemed).
Interest Rate	in relation to a Note, the interest rate used to determine the Interest payable in respect of a Note in accordance with Condition 5.
Investments	with respect to any Person, all direct or indirect investments made from and after the Issue Date by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), capital contributions or advances (but excluding advance payments and deposits for goods and services and similar advances to officers, employees and consultants made in the Ordinary Course of Business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of other Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Issuer or any Restricted Subsidiary of the Issuer sells or otherwise Disposes of any



Term	Meaning
	<p>Equity Interests of any direct or indirect Restricted Subsidiary of the Issuer after the Issue Date such that, after giving effect to any such sale or Disposition, such Person is no longer a Restricted Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or Disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or Disposed of in an amount determined as provided in Condition 3.4(c). Notwithstanding the foregoing, any Equity Interests retained by the Issuer or any of its Subsidiaries after a Disposition or dividend of assets or Capital Stock of any Person in connection with any partial "spin-off" of a Subsidiary or similar transactions shall not be deemed to be an Investment. The acquisition by the Issuer or any Restricted Subsidiary of the Issuer after the Issue Date of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in Condition 3.4(c). Except as otherwise provided in the Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.</p>
issue	in relation to a Note, the creation of the Note in accordance with the Deed Poll.
Issue Date	in relation to a Note, the date for the issue of the Note, as specified in the Pricing Supplement.
Lien	with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any option or other agreement to sell or give a security interest in and, except in connection with any Qualified Receivables Transaction, any agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.
Margin	in relation to a Note, the margin specified in or determined in accordance with the Pricing Supplement.
Material Subsidiary	a Restricted Subsidiary of the Issuer for which: <ol style="list-style-type: none">1 the Consolidated Total Assets constitute at least 5.0% of the Consolidated Total Assets of the Issuer and its Restricted Subsidiaries; or2 the total consolidated revenues constitute at least 5.0% of the total consolidated revenues of the Issuer and its Restricted Subsidiaries, in each case for the twelve-month period ending on the last day of the most recent fiscal quarter for which internal financial statements are available;



Term	Meaning
	provided that a Material Subsidiary shall not include any Special Purpose Entity, any Receivables Subsidiary or any Unrestricted Subsidiary, whether existing as of the date of the Deed Poll or constituted following the date of the Deed Poll.
Maturity Date	in relation to a Note, the date specified in or determined in accordance with the Pricing Supplement as the Maturity Date of the Note or the date upon which the Note is scheduled to be redeemed.
Meeting Provisions	the rules for the calling and holding of meetings of, and passing of resolutions by, Holders as set out in Attachment 2 to the Deed Poll.
Moody's	Moody's Investors Service Pty Ltd (ABN 61 003 399 657) or any of its Related Bodies Corporate.
Non-Recourse Debt	<ol style="list-style-type: none">1 as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) or (b) is directly or indirectly liable as a guarantor or otherwise; and2 as to which the holders of such Indebtedness do not otherwise have recourse to the stock or assets of the Issuer or any of its Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary).
Note Document	in relation to a Note: <ol style="list-style-type: none">1 the Deed Poll;2 the Pricing Supplement;3 the Deed Poll of Guarantee;4 any Substituted Issuer Deed Poll (as defined in Condition 15.1); and5 the Global Certificate (if any).
Obligor	each of: <ol style="list-style-type: none">1 the Issuer; and2 each Guarantor.
Officer	with respect to any Obligor, a director, secretary or other person authorised by the Obligor to act as an 'Officer' of the Obligor under the Conditions.



Term	Meaning
Ordinary Course of Business	with respect to the Issuer; or any of its Subsidiaries: <ol style="list-style-type: none">1 in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of, the Issuer and its Subsidiaries;2 customary and usual in the international commercial airline industry or in the commercial airline industry in Australia or the United States; or3 consistent with the past or current practice of one or more international, Australian or American commercial air carriers.
Ordinary Resolution	has the meaning given in the Meeting Provisions.
Original Guarantor	each entity listed in Schedule 2 of the Deed Poll of Guarantee.
Paying Agent	in relation to a Note, the Paying Agent (or one of the Paying Agents) specified in the Information Memorandum or (if different) the applicable Pricing Supplement or any replacement Paying Agent appointed by the Issuer pursuant to Condition 14.
Permitted Business	any business that is similar, or reasonably related, ancillary, supportive or complementary to, or any reasonable extension of the business in which the Issuer and its Restricted Subsidiaries are engaged on the Issue Date.
Permitted Investment	<ol style="list-style-type: none">1 any Investment in the Issuer or in a Restricted Subsidiary of the Issuer;2 any Investment in cash, Cash Equivalents and any foreign equivalents or by way of security deposit, maintenance reserves, revenue payment or cash collateralisation in respect of any Permitted Debt, Permitted Payments or in connection with operating leases, Card Acceptance and Processing Agreements or other operating agreements to which the Issuer or any Restricted Subsidiary is party;3 any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person, if as a result of such Investment:<ol style="list-style-type: none">(a) such Person becomes a Restricted Subsidiary of the Issuer; or(b) such Person, in one transaction or a series of related and substantially concurrent transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;4 any Investment made as a result of the receipt of non-cash consideration from a Disposition of assets;5 any acquisition of assets or Capital Stock in exchange for the

Term	Meaning
	Issuance of Qualifying Equity Interests;
6	any Investments received in compromise or resolution of: <ul style="list-style-type: none"> (a) obligations of trade creditors or customers that were incurred in the Ordinary Course of Business, including pursuant to any plan of reorganisation or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;
7	Investments represented by Hedging Obligations;
8	loans or advances to officers, directors or employees made in the Ordinary Course of Business in an aggregate principal amount not to exceed US\$5,000,000;
9	redemption or purchase of the Notes;
10	any Guarantee of Indebtedness permitted to be incurred by Condition 3.5 hereof other than a Guarantee of Indebtedness of an Affiliate of the Issuer that is not a Restricted Subsidiary of the Issuer;
11	any Investment of the Issuer and its Restricted Subsidiaries existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any such Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased: <ul style="list-style-type: none"> (a) as required by the terms of such Investment as in existence on the Issue Date; or (b) as otherwise permitted under the Conditions;
12	Investments or commitments to make Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any Restricted Subsidiary of the Issuer of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by Condition 3.7 hereof after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
13	the acquisition by a Receivables Subsidiary in connection with a Qualified Receivables Transaction of Equity Interests of a trust or other Person established by such Receivables Subsidiary to effect such Qualified Receivables Transaction; and any other Investment by the Issuer or a Subsidiary of the Issuer in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Transaction;
14	Receivables arising in the Ordinary Course of Business, and Investments in Receivables and related assets including pursuant to a Receivables Repurchase Obligation;
15	Investments in connection with outsourcing initiatives in the Ordinary Course of Business;



Term	Meaning
	<p>16 Investments having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value other than a reduction for all returns of principal in cash and capital dividends in cash), when taken together with all Investments made pursuant to this paragraph (16) that are at the time outstanding, not to exceed 15.0% of the Consolidated Total Assets of the Issuer and its Restricted Subsidiaries at the time of such Investment;</p>
	<p>17 Investments consisting of reimbursable extensions of credit; provided that any such Investment made pursuant to this paragraph (17) shall not be permitted if unreimbursed within 90 days of any such extension of credit;</p>
	<p>18 Investments in connection with financing any pre-delivery, progress or other similar payments relating to the acquisition of Aircraft Related Equipment;</p>
	<p>19 Investments in travel or airline related businesses made in connection with marketing and servicing agreements, alliance agreements, distribution agreements, agreements relating to flight training, agreements relating to insurance arrangements, agreements relating to spare parts management systems and other similar agreements which Investments under this paragraph (19) (excluding Investments existing on the Issue Date) shall not exceed US\$20,000,000 at any time outstanding;</p>
	<p>20 Investments consisting of payroll advances and advances for business and travel expenses in the Ordinary Course of Business;</p>
	<p>21 Investments made by way of any endorsement of negotiable instruments received in the Ordinary Course of Business and presented to any bank for collection or deposit;</p>
	<p>22 Investments consisting of stock, obligations or securities received in settlement of amounts owing to the Issuer or any Restricted Subsidiary in the Ordinary Course of Business or in a distribution received in respect of an Investment permitted hereunder;</p>
	<p>23 Investments made in Unrestricted Subsidiaries not to exceed US\$10,000,000 in any fiscal year in the aggregate;</p>
	<p>24 Investments comprising payments made in accordance with the tax sharing agreement among the Issuer, as head company, and the entities named therein as contributing members, dated as of October 14, 2004, as amended and acceded to from time to time;</p>
	<p>25 Investments in fuel and Credit Card consortia and in connection with agreements with respect to fuel consortia, Credit Card consortia and fuel supply and sales, in each case, in the Ordinary Course of Business;</p>
	<p>26 Investments in connection with outsourcing initiatives in the Ordinary Course of Business;</p>
	<p>27 guarantees incurred in the Ordinary Course of Business of obligations that do not constitute Indebtedness of any regional air carrier doing business with the Issuer or any of its Restricted Subsidiaries in connection with the regional air carrier's business with the Issuer or such Restricted Subsidiary; advances to airport operators of landing fees and other customary airport charges for carriers on behalf of which the Issuer or any of its Restricted</p>



Term	Meaning
	<p>Subsidiaries provides ground handling services;</p> <p>28 so long as no Default has occurred and is continuing, any Investment by the Issuer and/or any Restricted Subsidiary of the Issuer;</p> <p>29 Investments consisting of payments or prepayments in respect of supply, maintenance, repair, power-by-the-hour, overhaul or like agreements either (a) entered into in the Ordinary Course of Business or (b) otherwise customary, typical or appropriate for a Permitted Business; and</p> <p>30 Investments consisting of Guarantees of Indebtedness of any Person to the extent that such Indebtedness is incurred by such Person in connection with activities related to the business of the Issuer or any Restricted Subsidiary of the Issuer and the Issuer has determined that the incurrence of such Indebtedness is beneficial to the business of the Issuer or any of its Restricted Subsidiaries, in an aggregate amount outstanding at any time not to exceed US\$25,000,000.</p>
Permitted Refinancing Indebtedness	<p>any Indebtedness (or commitments in respect thereof) of the Issuer or any of its Restricted Subsidiaries to the extent issued in exchange for, or the net proceeds of which are used to renew, refund, extend, refinance, replace, defease or discharge other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:</p> <p>1 the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the original principal amount (or accreted value, if applicable) when initially incurred of the Indebtedness renewed, refunded, extended, refinanced, replaced, defeased or discharged (plus all accrued interest on the Indebtedness (whether or not capitalised or accreted or payable on a current basis) and the amount of all fees and expenses, including premiums, incurred in connection therewith (such original principal amount plus such amounts described above, collectively, for purposes of this paragraph (1), the "preceding amount")); provided that with respect to any such Permitted Refinancing Indebtedness that is to renew, refund, extend, refinance, replace, defease or discharge Indebtedness used to finance or refinance any assets ("Refinanced Indebtedness"), the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness plus the principal amount (or accreted value, if applicable) of any remaining Refinanced Indebtedness with respect to such assets shall not exceed the greater of the preceding amount and the Fair Market Value of the assets (which Fair Market Value may, at the time of an advance commitment, be determined to be the Fair Market Value at the time of such commitment or (at the option of the issuer of such Indebtedness) the Fair Market Value projected for the time of incurrence of such Indebtedness);</p> <p>2 if such Permitted Refinancing Indebtedness has a maturity date that is after the final maturity date of the Notes (with any amortisation payment comprising such Permitted Refinancing Indebtedness being treated as maturing on its amortisation date), such Permitted Refinancing Indebtedness has a Weighted Average</p>

Term	Meaning
	<p>Life to Maturity that, at the time such Permitted Refinancing Indebtedness is incurred, is (a) equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged as at the date of such renewal, refund, extension, refinancing, replacement, defeasance or discharge or (b) more than 60 days after the final maturity date of the Notes;</p> <p>3 if the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favourable to the Holders of Notes as those contained in the documentation governing the Indebtedness being renewed, refunded, extended, refinanced, replaced, defeased or discharged; and</p> <p>4 notwithstanding that the Indebtedness being renewed, refunded, refinanced, extended, replaced, defeased or discharged may have been repaid or discharged by the Issuer or any of its Restricted Subsidiaries prior to the date on which the new Indebtedness is incurred, Indebtedness that otherwise satisfies the requirements of this definition may be designated as Permitted Refinancing Indebtedness so long as such renewal, refunding, refinancing, extension, replacement, defeasance or discharge occurred not more than 36 months prior to the date of such incurrence of Permitted Refinancing Indebtedness.</p>
Person	any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity.
Pricing Supplement	in relation to a Tranche or Note in a Tranche, a document executed by the Issuer and the Guarantors (as of the Issue Date) in relation to the Tranche and expressed to be the Pricing Supplement for that Tranche.
Purchase Price	in relation to a Note, the Purchase Price specified in the applicable Pricing Supplement.
Put Event	any event or circumstances that entitles or will entitle the Holders to require the Issuer to redeem the Notes before the Maturity Date.
Qualified Receivables Transaction	<p>any transaction or series of transactions entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries:</p> <p>1 sells, conveys or otherwise transfers to a Receivables Subsidiary or any other Person (in the case of a transfer by the Issuer or any of its Subsidiaries);</p>



Term	Meaning
	<p>2 sells, conveys or otherwise transfers to any other Person (in the case of a transfer by a Receivables Subsidiary); or</p> <p>3 grants a security interest in,</p> <p>any Receivables (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all Equity Interests and other investments in, or assets of, the Receivables Subsidiary, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such Receivables and other assets which are related thereto or which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitisation or financing transactions involving Receivables.</p>
Qualifying Equity Interests	Equity Interests of the Issuer other than Disqualified Stock.
Receivables	all "accounts" as defined in the Personal Property Securities Act 2009 (Cth), and all rights to payment for interest (other than with respect to debt and Credit Card receivables), and shall also include ticket receivables, sales of frequent flyer miles and other present and future revenues and receivables that may be the subject of a Qualified Receivables Transaction.
Receivables Repurchase Obligation	any obligation of a seller of Receivables in a Qualified Receivables Transaction to repurchase Receivables and related assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a Receivable or portion thereof becoming subject to any asserted defence, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.
Receivables Subsidiary	<p>a Subsidiary of the Issuer which engages in no activities other than in connection with:</p> <ol style="list-style-type: none">1 the financing or securitisation of Receivables; or2 the holding of shares in another Subsidiary which engages in no activities other than in connection with the financing or securitisation of Receivables, <p>and, in either case, which is designated by the Board as a Receivables Subsidiary:</p> <ol style="list-style-type: none">3 no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (a) is guaranteed by the Issuer or any Restricted Subsidiary of the Issuer (other than comprising a pledge of the Capital Stock or other interests in such Receivables Subsidiary (an "incidental pledge"), and excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in



Term	Meaning
	<p>connection with a Qualified Receivables Transaction), (b) is recourse to or obligates the Issuer or any Restricted Subsidiary of the Issuer in any way other than through an incidental pledge or pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in connection with a Qualified Receivables Transaction or (c) subjects any property or asset of the Issuer or any Restricted Subsidiary of the Issuer (other than accounts receivable and related assets as provided in the definition of "Qualified Receivables Transaction"), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in the Ordinary Course of Business in connection with a Qualified Receivables Transaction;</p> <p>4 with which neither the Issuer nor any Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding (other than pursuant to the Qualified Receivables Transaction) other than (a) on terms no less favourable to the Issuer or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer, and (b) fees payable in the Ordinary Course of Business in connection with servicing accounts receivable; and</p> <p>5 with which neither the Issuer nor any Subsidiary of the Issuer has any obligation to maintain or preserve such Subsidiary's financial condition, other than a minimum capitalisation in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results.</p>
Record Date	<p>1 in relation to a payment required in respect of an Note under Condition 10.3, the date on which the Note was declared due and payable under that Condition;</p> <p>2 in relation to a determination or exercise of voting rights in respect of an Note for the purposes of passing a Resolution without holding a meeting, the date specified as the Record Date for the purposes of that Resolution in accordance with the Meeting Provisions; and</p> <p>3 in relation to any other payment or determination or exercise of voting rights in respect of a Note, the day that is seven days before the relevant date for payment or meeting.</p>
Record Date Holder	<p>in relation to a payment or determination or exercise of voting rights in respect of a Note, the Holder of the Note as at the Record Time on the Record Date.</p>
Record Time	<p>the close of business in the place where the Register is kept.</p>
Reference Banks	<p>for the purposes of calculating the interest rate applicable to a Floating Rate Note, the Reference Banks specified in the applicable Pricing Supplement or, if none are specified, 4 major banks in the Relevant Financial Centre selected by the Calculation Agent.</p>



Term	Meaning
Register	in relation to a Note, the register of Holders of Notes of the Series of which it forms part maintained by the Registrar on behalf of the Issuer in accordance with the Deed Poll and these Conditions.
Registrar	in relation to a Note, the Registrar specified in the Information Memorandum or (if different) the applicable Pricing Supplement or any replacement Registrar appointed by the Issuer pursuant to Condition 14.
Regular Period	<ol style="list-style-type: none">1 in the case of Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;2 in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" is the day and month (but not the year) on which any Interest Payment Date falls; and3 in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" is the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.
Related Body Corporate	a related body corporate as defined in the Corporations Act.
Relevant Financial Centre	for the purposes of calculating the interest rate on a Floating Rate Note, the Relevant Financial Centre specified in the Pricing Supplement or if none is specified the financial centre selected by the Calculation Agent as having the closest connection with the Relevant Rate.
Relevant Rate	for the purpose of determining the Interest Rate applicable to a Floating Rate Note in any Interest Period, the "Relevant Rate" specified in the Pricing Supplement.
Relevant Screen Page	for the purpose of determining the Interest Rate applicable to a Floating Rate Note in any Interest Period, the "Relevant Screen Page" specified in the applicable Pricing Supplement.
Relevant Time	for the purpose of determining the Interest Rate applicable to a Floating Rate Note in any Interest Period, the "Relevant Time" specified in the applicable Pricing Supplement.



Term	Meaning
Resolution	an Extraordinary Resolution or Ordinary Resolution, as the context requires.
Restricted Investment	an Investment other than a Permitted Investment.
Restricted Subsidiary	any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.
S&P	Standard and Poor's (Australia) Pty Limited (ACN 007 324 852) or any of its Related Bodies Corporate.
Scheduled Repayment Date	in relation to a Note, a date specified in or determined in accordance with the Pricing Supplement to be a Scheduled Repayment Date or a date for the making of any scheduled repayment of principal on the Note.
Scheduled Repayment Amount	in relation to a Note an amount specified in or determined in accordance with the applicable Pricing Supplement to be a Scheduled Repayment Amount or repayment of principal scheduled to be made on a Scheduled Repayment Date.
Series	Notes issued in one or more Tranches all of which: <ol style="list-style-type: none">1 have identical terms except that the Issue Date, the Interest Commencement Date and the amount of the first payment of interest may be different in respect of different Tranches of a Series; and2 are specified in the applicable Pricing Supplements as having the same series identification number (ISIN) or name.
Significant Guarantors	Virgin Australia Airlines Holdings Pty Ltd, Virgin Australia Airlines Pty Ltd, Virgin Australia International Holdings Pty Ltd and Virgin Australia International Airlines Pty Ltd, and each of their permitted successors and assigns, in each case for so long as it is a Guarantor.
Significant Subsidiary	any Restricted Subsidiary of the Issuer that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Issue Date.
Special Purpose Entity	any Subsidiary which does not operate any aircraft and whose only business and activities relate to:



Term	Meaning
	<ol style="list-style-type: none">1 the financing and ownership of aircraft or engines for lease to another Person or financing of advance payments to aircraft or engine manufacturers;2 interest and currency hedging relating to such financing;3 the holding of shares in another Subsidiary which is itself a Special Purpose Entity;4 maintenance of its corporate existence; and5 tax sharing and funding arrangements in relation to any tax consolidated group of which it is a member.
Standard Receivables Undertakings	all representations, warranties, covenants, indemnities, performance Guarantees, servicing obligations and Receivable Repurchase Obligations entered into by the Issuer or any Subsidiary (other than a Receivables Subsidiary), which are customary in connection with any Qualified Receivables Transaction.
Subsidiary	with respect to any Person: <ol style="list-style-type: none">1 any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof);2 any partnership, joint venture or limited liability company of which:<ol style="list-style-type: none">(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise; and(b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; and3 any Person that is consolidated in the consolidated financial statements of the specified Person in accordance with GAAP.
Tax	<ol style="list-style-type: none">1 any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; and2 any income, stamp or transaction duty, tax or charge, which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or other



Term	Meaning
	amount imposed on or in respect of any of the above.
Tax Act	the <i>Income Tax Assessment Act 1936</i> (Cth) or the <i>Income Tax Assessment Act 1997</i> (Cth), as the context requires.
Tranche	an issue of Notes all of which Notes are issued on the same Issue Date and the terms of which are identical in all respects.
Transfer Form	a transfer and acceptance form in the form available from the Registrar at the relevant time or, if no form is so available, in any usual or common form by which the transferee agrees to be bound by the Deed Poll and the Conditions applicable to the Note.
United States Dollars or US\$	the lawful currency of the United States of America.
Unrestricted Subsidiary	<p>any Subsidiary of the Issuer that is designated by the Board as an Unrestricted Subsidiary in compliance with Condition 3.6 hereof pursuant to a resolution of the Board, but only if such Subsidiary:</p> <ol style="list-style-type: none">1 has no Indebtedness other than Non-Recourse Debt;2 is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary of the Issuer unless the terms of any such agreement, contract, arrangement or understanding are no less favourable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Issuer;3 is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and4 has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Issuer or any of its Restricted Subsidiaries; <p>provided that, on the date of the Deed Poll, each member of the Velocity Sub-Group, CPU Share Plans Pty Limited, as trustee of the Key Employee Performance Plan Trust, the Key Employee Performance Plan Trust, Virgin Tech Pty Ltd and Virgin Samoa Limited shall each be designated as an Unrestricted Subsidiary.</p>
Velocity Convertible Note Subscription Deed	the Velocity Convertible Note Subscription Deed, dated as of August 28, 2014, among Connectivity Pte Limited, the Issuer, Virgin Australia Airlines Holdings Pty Ltd (ABN 19 093 924 675) and Velocity Frequent Flyer Holdco Pty Ltd (ABN 44 169 684 093), as in effect on the " Completion Date " (as defined therein).



Term	Meaning
Velocity Sub-Group	Velocity Frequent Flyer Holdco Pty Ltd, Velocity Frequent Flyer 1 Pty Ltd, Velocity Frequent Flyer 2 Pty Ltd, Velocity Rewards Pty Ltd, as trustee of the Loyalty Trust, Velocity Frequent Flyer Pty Ltd, Torque Solutions (Australia) Pty Ltd, the Loyalty Trust and any other Subsidiary of Velocity Frequent Flyer Holdco Pty Ltd.
Velocity Transaction	the transactions contemplated by the Velocity Convertible Note Subscription Deed and by the related Transaction Documents (as defined in the Velocity Convertible Note Subscription Deed).
Velocity Transaction Documents	the Transaction Documents (as defined in the Velocity Convertible Note Subscription Deed) as in effect on the Completion Date (as defined in the Velocity Convertible Note Subscription Deed).
Zero Coupon Note	a Note specified in the applicable Pricing Supplement to be a Zero Coupon Note or a Note that does not bear interest.

1.2 Interpretation

In these Conditions, headings and bold type are for convenience only and do not affect the interpretation of these Conditions and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (d) an expression suggesting or referring to a natural person or an entity includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including any right) includes a part of that thing but nothing in this Condition 1.2(e) implies that performance of part of an obligation constitutes performance of the obligation;
- (f) a reference to a Condition of a specified number is a reference to a provision of these Conditions having that number and a reference to the Deed Poll includes any annexure, exhibit and schedule (including these Conditions and the Meeting Provisions);
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws under that statute;
- (h) a reference to "law" includes common law, principles of equity and any statute, ordinance, code or other law made by any parliament, whether inside or outside Australia, and will be taken to include a reference to FATCA;



- (i) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (j) a reference to a particular person includes that person's successors and permitted substitutes and assigns;
- (k) a reference to a body (including an institute, association or authority but excluding the Issuer, an Agent or a Holder), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (l) references to time are to Sydney time.

1.3 Inclusive expressions

Specifying anything in these Conditions after the words "include" or "for example" or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Business Day

Except where Condition 8.4 applies, where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Application to Notes

- (a) These Conditions apply and are to be construed separately in relation to each Series of Notes.
- (b) Unless the context otherwise requires:
 - (1) reference in these Conditions to a Note or a Holder is a reference to a Note or Holder of the Series in relation to which these Conditions are being applied; and
 - (2) reference in these Conditions to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Note in relation to which these Conditions are being applied.
- (c) These Conditions apply in relation to a Note as supplemented or varied by the Pricing Supplement. In the event of any inconsistency between these Conditions and the Pricing Supplement, the provisions of the Pricing Supplement are to be preferred.

2 Form, denomination and title

2.1 Registered form

- (a) Notes will be issued in registered form by entry into the Register in accordance with the Deed Poll.
- (b) The obligations of the Issuer in respect of each Note are:
 - (1) constituted by, and owing under, the Deed Poll;



- (2) acknowledged by the Issuer in favour of the Holder by entry in the Register of the Holder as Holder of the Note; and
 - (3) enforceable by the Holder against the Issuer separately from any other Note and, subject to Condition 4.7, to the exclusion of any predecessor in title of the Holder or any other person.
- (c) The Issuer must ensure that there is a Registrar for the Notes at all times and that the Registrar maintains the Register in New South Wales (or in such other jurisdiction as may be agreed between the Issuer and the Registrar) so as to show at all times such details of the Holders and the Notes as are required to be shown in the Register by these Conditions or by law or which the Issuer and the Registrar determine should be recorded in the Register.
- (d) Notes may be issued to, or to a nominee of, a common depository for one or more Clearing Systems specified in the Pricing Supplement and if so specified in the Pricing Supplement will be evidenced upon issue by a Global Certificate that will be deposited with such common depository to hold for such Clearing System (**Relevant Notes**). For so long as Relevant Notes are evidenced by such Global Certificate these Conditions shall apply to the Relevant Notes subject to the terms of that Global Certificate and no transfer of Relevant Notes will be registered except as provided in the Global Certificate.
- (e) Except as provided in Condition 2.1(d), no certificate or other evidence of title to a Note will be issued to a Holder unless the Issuer determines that a certificate should be made available or it is required by law to do so.

2.2 Denomination

The Notes are denominated in Australian Dollars and in an initial principal amount of A\$10,000 or in such other currency and amount as may be specified in the Pricing Supplement.

2.3 Title

- (a) Title to a Note is vested absolutely in the person entered in the Register as the holder of the Note, subject to rectification of the Register for fraud or error.
- (b) A Note registered in the name of more than one person is held by those persons as joint tenants.
- (c) The Issuer and the Agents are entitled to deal exclusively with the relevant Holder as the absolute beneficial owner of a Note and are not obliged to enter in the Register or otherwise recognise any right to or interest in a Note other than the title of that Holder.
- (d) Without limiting Condition 2.3(c), neither the Issuer nor any Agent is bound to recognise a member of any Clearing System as having any interest in a Note entered in that Clearing System.

2.4 No recommendation by Agents

An Agent's approval of a Note for any purposes under its agreement with the Issuer to act as Agent in relation to the Note (**Agency Agreement**) does not constitute a recommendation or endorsement by the Agent of the Note but only indicates that it is considered by the Agent to be compatible with the performance by it of its obligations as Agent under the Agency Agreement.

2.5 Clearing Systems

Without limiting Condition 2.3, if the Notes are held in a Clearing System the rights of a person holding an interest in the Notes are subject to the rules and regulations of the Clearing System but neither the Issuer nor any Guarantor has any obligation to any person other than the Holder and is not responsible for anything the Clearing System does or omits to do.

3 Status and undertakings

3.1 Status of Notes

Notes are direct, unsubordinated and unsecured obligations of the Issuer and rank at least equally with all other unsubordinated and unsecured obligations of the Issuer other than those mandatorily preferred by law.

3.2 Status of Guarantee

- (a) Notes have the benefit of the Guarantee, which comprises direct, unsubordinated and unsecured obligations of each Guarantor ranking at least equally with all other unsubordinated and unsecured obligations of the relevant Guarantor other than those mandatorily preferred by law.
- (b) If the Issuer or any of its Restricted Subsidiaries acquires or creates another wholly owned Subsidiary after the Issue Date and such newly acquired or created Subsidiary is or becomes a Material Subsidiary, unless prohibited by applicable law, the Issuer must ensure that such newly acquired or created Subsidiary becomes a Guarantor and executes a Guarantor Assumption Deed as set out in Schedule 3 of the Deed Poll of Guarantee within 30 Business Days of the date on which internal financial statements establish that it has become a Material Subsidiary; provided that any Subsidiary that constitutes a Receivables Subsidiary or an Unrestricted Subsidiary need not become a Guarantor until such time as it ceases to be a Receivables Subsidiary or an Unrestricted Subsidiary.
- (c) The Issuer may by written notice to the Holders, cause any Guarantor (**Retiring Guarantor**) to be discharged from all of its obligations and liabilities under the Deed Poll of Guarantee and to cease to be a Guarantor without the need for the execution or delivery of any other document by any other person, with effect from such time as is specified in such notice (the **Release Time**) provided that the Issuer delivers to the Registrar at or before the Release Time a certificate of an Officer of the Issuer confirming that:
 - (1) the Retiring Guarantor is not, or after the giving effect to such release will not be, a Material Subsidiary;
 - (2) the Retiring Guarantor is, or after giving effect to such release will be, a Receivables Subsidiary or an Unrestricted Subsidiary;
 - (3) the release is in connection with any:
 - (A) sale or other Disposition of Capital Stock of the Retiring Guarantor to a Person that is not (either before or after giving effect to such transaction) the Issuer or any of its Restricted Subsidiaries; or



- (B) a transaction or series of transactions permitted by the Conditions as a result of which the Retiring Guarantor ceases to be a Subsidiary of the Issuer; or
- (4) the release is in connection with the merger or consolidation of the Retiring Guarantor into, or a conveyance or transfer of all of the Retiring Guarantor's properties and assets to, another Person in a transaction permitted under Condition 3.7.

3.3 Financial reports and information

The Issuer shall provide to each Holder, or shall provide to the Registrar for forwarding to each Holder of the Notes upon request, without cost to such Holder:

- (a) as soon as available after the end of each fiscal year (and, in any event, within 120 days after the close of such fiscal year), annual reports in English, including financial statements (containing a consolidated statement of financial position as of the end of such fiscal year and immediately preceding fiscal year, and consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for such fiscal year and the immediately preceding fiscal year) with a report thereon by an internationally recognized independent firm of chartered accountants;
- (b) as soon as available (and, in any event, within 90 days after the close of the first six months in each fiscal year) semi-annual reports in English, containing a condensed consolidated statement of financial position as of the end of each interim period covered thereby and as of the end of the immediately preceding fiscal year, and condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for each interim period covered thereby and for the comparable period of the immediately preceding fiscal year; and
- (c) promptly, notice of any material change in the composition of the Board, any change in the Chief Executive Officer or Chief Financial Officer of the Issuer, the consummation of an acquisition or disposal by the Issuer of a Material Subsidiary, the termination of a strategic alliance referred to in the most recent report delivered or taken to have been delivered by the Issuer under Condition 3.3(a) or (b) (other than a termination contemplated by those financial statements), or the cancellation of an air operators certificate issued under the *Civil Aviation Act 1988* (Cth) and required for the conduct of the Group's business, which in any case would be reasonably expected to be material to a holder of the Notes,

provided that delivery of such reports or notice of such events to ASX for release to the market shall be deemed to constitute delivery to each Holder for the purposes of this Condition 3.3.

3.4 Restricted payments

- (a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:
 - (1) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than: (i) dividends, distributions or payments



payable in Qualifying Equity Interests or in the case of preferred stock of the Issuer, an increase in the liquidation value thereof; and (ii) dividends, distributions or payments payable to the Issuer or a Restricted Subsidiary of the Issuer);

- (2) purchase, redeem or otherwise acquire or retire for value any Equity Interests of the Issuer;
- (3) make any voluntary payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value (collectively for purposes of this Condition 3.4(a)(3), a "purchase") any Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or the Guarantee (excluding any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries), except any scheduled payment of interest and any purchase within two years of the Maturity Date; or
- (4) make any Restricted Investment (all such payments and other actions set forth in the Conditions 3.4(a)(1) to 3.4(a)(4) being collectively referred to as "**Restricted Payments**"),

unless, at the time of and after giving effect to such Restricted Payment:

- (5) no Default or Event of Default has occurred and is continuing;
- (6) the Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least US\$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Condition 3.5(a) hereof; and
- (7) such Restricted Payment, together with the aggregate amount of all other Restricted Payments (other than Restricted Investments) made by the Issuer and its Restricted Subsidiaries since the Issue Date and together with Restricted Investments outstanding at the time of giving effect to such Restricted Payment (excluding, in each case, Restricted Payments permitted by Conditions 3.4(b)(2) to 3.4(b)(18) hereof), is less than the sum, without duplication, of:
 - (A) 50% of the Consolidated Net Income (less 100% of such Consolidated Net Income which is a deficit) of the Issuer for the period (taken as one accounting period) from 1 April 2018 to the end of the Issuer's most recently ended fiscal quarter for which financial statements are available at the time of such Restricted Payment; plus
 - (B) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by the Issuer after the Issue Date, in each case, as a contribution to its common equity capital or from the issue or sale of Qualifying Equity Interests (other than Qualifying Equity Interests sold to a Subsidiary of the Issuer, and excluding Excluded Contributions); plus
 - (C) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by the Issuer or a Restricted Subsidiary of the Issuer from the issue or sale of convertible or exchangeable Disqualified Stock of the Issuer or a Restricted Subsidiary of the Issuer or



convertible or exchangeable debt securities of the Issuer or a Restricted Subsidiary of the Issuer (regardless of when issued or sold) or in connection with the conversion or exchange thereof, in each case that have been converted into or exchanged after the Issue Date for Qualifying Equity Interests (other than Qualifying Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Issuer); plus

- (D) to the extent that any Restricted Investment that was made after the Issue Date by the Issuer or any of its Subsidiaries is: (i) sold for cash or otherwise cancelled, liquidated or repaid for cash; or (ii) made in an entity that subsequently becomes a Restricted Subsidiary of the Issuer, the initial amount of such Restricted Investment (or, if less, the amount of cash received upon repayment or sale); plus
- (E) to the extent that any Unrestricted Subsidiary (other than any Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary after the Issue Date, the greater of: (i) the Fair Market Value of the Issuer's Restricted Investment in such Subsidiary as of the date of such redesignation; or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date; plus
- (F) 100% of any dividends received in cash by the Issuer or a Restricted Subsidiary of the Issuer after the Issue Date from an Unrestricted Subsidiary (other than any Unrestricted Subsidiary to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) of the Issuer, to the extent that such dividends were not otherwise included in the Consolidated Net Income of the Issuer for such period;

provided, however, there shall be no increase in respect of any amount contemplated by Conditions 3.4(a)(7)(D), 3.4(a)(7)(E) or 3.4(a)(7)(F), pursuant to any such paragraph to the extent such amount otherwise increases the capacity of the Issuer or any of its Restricted Subsidiaries to make Restricted Payments pursuant to this Conditions 3.4(a) or 3.4(b)(15).

- (b) The provisions of Condition 3.4(a) hereof shall not prohibit the following (each, a "**Permitted Payment**"):
 - (1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of the Conditions;
 - (2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Qualifying Equity Interests or from the substantially concurrent contribution of common equity capital to the Issuer; provided that the amount of any such net cash



proceeds that are utilised for any such Restricted Payment shall not be considered to be net proceeds of Qualifying Equity Interests for purposes of Condition 3.4(a)(2) hereof and shall not be considered to be Excluded Contributions;

- (3) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution), distribution or payment by a Restricted Subsidiary of the Issuer to the holders of its Equity Interests on a pro rata basis;
- (4) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or to the Guarantee with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;
- (5) the repurchase, redemption, acquisition or retirement for value of any Equity Interests of the Issuer or any Restricted Subsidiary of the Issuer held by any current or former officer, director, consultant or employee (or their estates or beneficiaries of their estates) of the Issuer or any of its Restricted Subsidiaries pursuant to any management equity plan or equity subscription agreement, stock option agreement, shareholders' agreement or other agreement to compensate such persons, provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US\$20,000,000 in any twelve-month period (except to the extent such repurchase, redemption, acquisition or retirement is in connection with the acquisition of a Permitted Business or merger, consolidation or amalgamation otherwise permitted by the Deed Poll, in which case the aggregate price paid by the Issuer and its Restricted Subsidiaries may not exceed US\$30,000,000 in connection with such acquisition of a Permitted Business or merger, consolidation or amalgamation); provided further that the Issuer or any of its Restricted Subsidiaries may carry over and make in subsequent twelve-month periods, in addition to the amounts permitted for such twelve-month period, up to US\$5,000,000 of unutilised capacity under this Condition 3.4(b)(5) attributable to the immediately preceding twelve-month period;
- (6) the repurchase of Equity Interests or other securities deemed to occur upon:
 - (A) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities; or
 - (B) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of the Issuer or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance or upon the vesting of such Equity Interests;
- (7) so long as no Default or Event of Default has occurred and is continuing, the declaration and payment of regularly scheduled or accrued dividends, distributions or payments to holders of any class or series of Disqualified Stock or subordinated debt of the Issuer or any



- preferred stock of any Restricted Subsidiary of the Issuer in each case either outstanding on the Issue Date or issued on or after the Issue Date in accordance with Condition 3.5 hereof;
- (8) payments of cash, dividends, distributions, advances, common stock or other Restricted Payments by the Issuer or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon: (i) the exercise of options or warrants; (ii) the conversion or exchange of Capital Stock of any such Person; or (iii) the conversion or exchange of Indebtedness or hybrid securities into Capital Stock of any such Person;
 - (9) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any Disqualified Stock or preferred stock of any Restricted Subsidiary of the Issuer to the extent such dividends are included in the definition of "Fixed Charges" for such Person;
 - (10) in the event of a Put Event, and if no Default or Event of Default shall have occurred and be continuing, the payment, purchase, redemption, defeasance or other acquisition or retirement of any subordinated Indebtedness of the Issuer or any Guarantor, in each case, at a purchase price not greater than 101% of the principal amount of such subordinated Indebtedness, plus any accrued and unpaid interest thereon, provided, however, that prior to such payment, purchase, redemption, defeasance or other acquisition or retirement, the Issuer or any such Guarantor (or a third party to the extent permitted by the Conditions) has given notice to the Holders of the occurrence of the relevant Put Event and has redeemed all Notes that have fallen due for redemption in connection with such Put Event (it being agreed that the Issuer or the applicable Guarantor may pay, purchase, redeem, defease or otherwise acquire or retire such subordinated Indebtedness even if the purchase price exceeds 101% of the principal amount of such subordinated Indebtedness; provided that the amount paid in excess of 101% of such principal amount is otherwise permitted under this Condition 3.4);
 - (11) Restricted Payments made with Excluded Contributions;
 - (12) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or any of its Restricted Subsidiaries by, any Unrestricted Subsidiary;
 - (13) the distribution or dividend of assets or Capital Stock of any Person in connection with any full or partial "spin-off" of a Subsidiary or similar transactions; provided that:
 - (A) in connection with any full or partial "spin-off" or similar transactions of any Subsidiary that is a Guarantor, the Issuer would, on the date of such distribution after giving pro forma effect thereto as if the same had occurred at the beginning of the applicable four-quarter period, (i) be permitted to incur at least US\$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Condition 3.5(a) hereof; or (ii) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than or equal to such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and



- (B) for any full or partial “spin-off” or similar transactions of any Subsidiary that is not a Guarantor, no Default or Event of Default has occurred and is continuing;
 - (14) the distribution or dividend of assets or Capital Stock of any Person in connection with any full or partial “spin-off” of a Subsidiary or similar transactions having an aggregate Fair Market Value not to exceed US\$250,000,000 since the Issue Date;
 - (15) so long as no Default has occurred and is continuing any: (i) Restricted Payments (other than any Restricted Investments) made on and after the Issue Date; and (ii) Restricted Investments outstanding at any such time, in an aggregate amount, which, when taken together with all such Restricted Payments and Restricted Investments, does not to exceed US\$100,000,000;
 - (16) the payment of any amounts in respect of any restricted stock units or other instruments or rights whose value is based in whole or in part on the value of any Equity Interests issued to any directors, officers or employees of the Issuer or any Restricted Subsidiary of the Issuer;
 - (17) any Restricted Payments that are required to be made in connection with the Velocity Transaction in order to comply with or give effect to the provisions of the Velocity Transaction Documents; and
 - (18) Restricted Payments (other than any Restricted Investments) made on and after the Issue Date and Restricted Investments outstanding at any such time, in an aggregate amount which, when taken together with all other Restricted Payments and Restricted Investments made pursuant to this Condition 3.4(b)(18), does not exceed 2.5% of the Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries (calculated at the time of such Restricted Payment).
- (c) In the case of any Restricted Payment that is not cash, the amount of such noncash Restricted Payment shall be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary of the Issuer, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities that are required to be valued by this Condition 3.4 shall be determined by an Officer of the Issuer.
- (d) For purposes of determining compliance with this Condition 3.4, if a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments set forth in Conditions 3.4(b)(1) to 3.4(b)(18) hereof, or is entitled to be made pursuant to Condition 3.4(a) hereof, the Issuer shall be entitled to classify on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this Condition 3.4.
- (e) Notwithstanding anything in the Conditions to the contrary, if a Restricted Payment is made (or any other action is taken or omitted under the Conditions) at a time when a Default or Event of Default has occurred and is continuing and such Default or Event of Default is subsequently cured, any Event of Default arising from the making of such Restricted Payment (or the taking or omission of such other action) during the existence of such Default or Event of Default shall simultaneously be deemed cured.



3.5 Incurrence of Indebtedness and Issuance of Preferred Stock

- (a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Issuer shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock, provided, however, that the Issuer may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock and its Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue preferred stock, if the Issuer's Fixed Charge Coverage Ratio for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or such preferred stock is issued, as the case may be, would have been at least 1.1 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock or the preferred stock had been issued, as the case may be, at the beginning of such four-quarter period.
- (b) The provisions of Condition 3.5(a) hereof shall not prohibit the incurrence of any of the following items of Indebtedness (collectively, "**Permitted Debt**"):
- (1) the incurrence by the Issuer and the Guarantors of the Notes and Guarantee in the aggregate principal amount to be issued on the Issue Date and any Permitted Refinancing Indebtedness that is incurred to renew, refund, refinance, replace, defease, extend or discharge any Indebtedness incurred pursuant to this Condition 3.5(b)(1);
 - (2) the incurrence by the Issuer or any of its Restricted Subsidiaries of the Existing Indebtedness and any Indebtedness that is incurred pursuant to or in lieu of a commitment in existence as of the Issue Date;
 - (3) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness (including Capital Lease Obligations, mortgage financings, purchase money obligations and government bond financings) incurred to finance (or to reimburse the Issuer or any of its Restricted Subsidiaries for) all or any part of the purchase price or cost of use, design, construction, installation or improvement of property, plant or equipment (including without limitation (and in each case, whether or not owned by the Issuer or its Restricted Subsidiaries) Aircraft Related Facilities or Aircraft Related Equipment);
 - (4) the incurrence by the Issuer or any of its Restricted Subsidiaries of
 - (A) Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, extend, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by the Conditions to be incurred under Condition 3.5(a) hereof or Conditions 3.5(b)(2), 3.5(b)(3), 3.5(b)(4), 3.5(b)(5), 3.5(b)(12), 3.5(b)(19) or 3.5(b)(20); and
 - (B) Permitted Refinancing Indebtedness secured by Aircraft Related Equipment or other assets replacing, renewing, refunding, extending, refinancing, defeasing or discharging any other Indebtedness of the Issuer or any of its Restricted Subsidiaries that was secured by Aircraft Related Equipment or other assets,



- including, in each case, the incurrence (including by way of assumption, merger or co-obligation) by one or more of the Issuer and its Restricted Subsidiaries of Indebtedness of any other Restricted Subsidiaries in connection with, or in contemplation of, a spin-off of such other Restricted Subsidiary;
- (5) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness, Disqualified Stock or preferred stock (including Acquired Debt);
- (A) as part of, or to finance, the acquisition (including by way of merger) of any Permitted Business;
- (B) incurred in connection with, or as a result of, the merger, consolidation or amalgamation of any Person (including the Issuer or any of its Restricted Subsidiaries) that owns a Permitted Business with or into the Issuer or a Restricted Subsidiary of the Issuer, or into which the Issuer or a Restricted Subsidiary of the Issuer is merged, consolidated or amalgamated; or
- (C) that is an outstanding obligation or commitment to enter into an obligation of a Person that owns a Permitted Business at the time that such Person is acquired by the Issuer or a Restricted Subsidiary of the Issuer and becomes a Restricted Subsidiary of the Issuer; provided that after giving pro forma effect to any such transaction described in this Condition 3.5(b)(5), either: (i) the Issuer would be permitted to incur at least A\$1.00 of additional Indebtedness pursuant to Condition 3.5(a) hereof; or (ii) the Issuer would have had a Fixed Charge Coverage Ratio not less than the actual Fixed Charge Coverage Ratio of the Issuer immediately prior to and without giving effect to such transactions;
- (6) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and/or any of its Restricted Subsidiaries;
- (7) the issuance by any of the Issuer's Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of preferred stock;
- (8) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations in the Ordinary Course of Business and not for speculative purposes;
- (9) the guarantee (including by way of co-obligation or assumption) by the Issuer or any Restricted Subsidiary of the Issuer of Indebtedness of the Issuer or a Restricted Subsidiary of the Issuer (including in connection with or in contemplation of a spin-off of the original obligor of the guaranteed or assumed Indebtedness) to the extent that the guaranteed Indebtedness was permitted to be incurred by another provision of this Condition 3.5; provided that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed or assumed;
- (10) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or reimbursement obligations in respect of workers' compensation claims, self-insurance obligations (including reinsurance), bankers' acceptances, performance bonds and surety



- bonds in the Ordinary Course of Business (including without limitation in respect of customs obligations, landing fees, Taxes, airport charges, overfly rights and any other obligations to airport and governmental authorities);
- (11) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness in respect of any overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing house transfers of funds;
- (12) Indebtedness:
- (A) constituting credit support or financing from aircraft, engine or parts manufacturers or their affiliates; or
- (B) incurred to finance or refinance Aircraft Related Equipment or other assets (including, without limitation, to reimburse or provide funds to the Issuer or any of its Restricted Subsidiaries for or in respect of the acquisition cost of, or value of any of the foregoing, to finance or refinance any pre-delivery, progress or similar payment or pursuant to a sale and lease-back) (whether in advance of or at any time following any acquisition of items being financed or refinanced, and whether such indebtedness is unsecured in whole or in part or is secured by such items or by other items or by any combination); provided that the principal amount of such Indebtedness incurred in reliance on Condition 3.5(b)(12)(B), at the time of incurrence of such Indebtedness, may exceed the aggregate incurred and anticipated costs to finance or refinance the acquisition of the item or items being financed or refinanced by such Indebtedness (calculated at the time of incurrence of such Indebtedness and determined in good faith by an officer of the Issuer or Restricted Subsidiary, as applicable, (including reasonable estimates of anticipated costs) and calculated to include, without limitation, purchase price, fees, expenses, repayment of any pre-delivery financing and related interest expense (whether or not capitalised) and premium (if any), delivery and late charges and other costs associated with such acquisition (as so calculated, for purposes of this proviso, the "financing costs")) but, if such principal amount exceeds such financing costs, it may not exceed the aggregate Fair Market Value of the relevant item or items (which Fair Market Value may, at the time of an advance commitment, be determined to be the Fair Market Value at the time of such commitment or (at the option of the issuer or such Indebtedness) the Fair Market Value projected for the time of incurrence of such Indebtedness);
- (13) Indebtedness issued to current or former directors, consultants, managers, officers and employees and their spouses or estates (a) to purchase or redeem Capital Stock of the Issuer issued to such director, consultant, manager, officer or employee in an aggregate principal amount not to exceed US\$5,000,000 in any twelve-month period or (b) pursuant to any deferred compensation plan approved by the Board;
- (14) reimbursement obligations in respect of standby or documentary letters of credit or banker's undertakings (including those under one or more debt facilities, commercial paper facilities, reimbursement



agreements or other agreements providing for the extension of credit, or securities purchase agreements, indentures or similar agreements, whether secured or unsecured, in each case, with banks, insurance companies, financial institutions or other lenders or investors providing for, or acting as initial purchasers of, revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), letters of credit, surety bonds, insurance products or the issuance and sale of securities, in each case, as amended, restated, modified, renewed, extended, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities) in whole or in part from time to time);

- (15) surety and appeal bonds that do not secure judgments that constitute an Event of Default;
- (16) Indebtedness of the Issuer or any of its Restricted Subsidiaries to Credit Card or travel charge processing service providers or other clearing house processors in connection with Credit Card, travel charge or similar transactions in relation to the sale of air travel, clearing house services and other services incurred pursuant to Card Acceptance and Processing Agreements or otherwise in the Ordinary Course of Business, whether in the form of hold-backs or otherwise;
- (17) the incurrence of Indebtedness in connection with a Qualified Receivables Transaction that is without recourse to the Issuer or to any other Restricted Subsidiary of the Issuer or their assets (other than such Receivables Subsidiary, its assets and the relevant Receivables and, as to the Issuer or any other Restricted Subsidiary of the Issuer, other than Standard Receivables Undertakings) and is not guaranteed by any such Person;
- (18) the incurrence of Indebtedness of the Issuer or any of its Restricted Subsidiaries owed to one or more Persons in connection with the financing of insurance premiums in the Ordinary Course of Business;
- (19) Indebtedness in respect of or in connection with tax-exempt or tax-advantaged municipal bond and similar financings related to Aircraft Related Facilities;
- (20) Credit Card purchases of fuel;
- (21) Indebtedness arising from agreements of the Issuer or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the acquisition or Disposition of any business, assets or a Subsidiary; provided that, in the case of a Disposition, the maximum assumable liability in respect of all such Indebtedness shall at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value) actually received by the Issuer or any of its Restricted Subsidiaries in connection with such Disposition;
- (22) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of take-or-pay or like obligations contained in supply, maintenance, repair, power-by-the-hour, overhaul or like agreements either (a) entered into in the Ordinary Course of Business or (b)



- otherwise customary, typical or appropriate for a Permitted Business;
and
- (23) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness and letters of credit (and reimbursement obligations with respect thereto) in an aggregate principal amount (or accreted value, as applicable), including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, extend, defease or discharge any Indebtedness incurred pursuant to this Condition 3.5(b)(23) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Issuer and its Restricted Subsidiaries thereunder) not to exceed, at any time outstanding, US\$750,000,000.
- (c) For purposes of determining compliance with this Condition 3.5, if an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt set forth in Conditions 3.5(b)(1) to 3.5(b)(23) hereof or is entitled to be incurred pursuant to Condition 3.5(a) hereof, the Issuer shall be permitted to classify all or a portion of such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Condition 3.5; provided that the terms Existing Indebtedness shall not include any Indebtedness that is permitted to be incurred under Condition 3.5(b)(1) or 3.5(b)(23) of the definition of Permitted Debt. Additionally, all or any portion of any item of Indebtedness may later be reclassified as having been incurred pursuant to Condition 3.5(a) hereof or under any category of Permitted Debt described in Condition 3.5(b)(1) to 3.5(b)(23) so long as such item (or portion) of Indebtedness is permitted to be incurred pursuant to such provision at the time of reclassification.
- (d) None of the following shall constitute an incurrence of Indebtedness or an issuance of preferred stock or Disqualified Stock for purposes of this Condition 3.5:
- (1) the accrual of interest or preferred stock dividends;
 - (2) the accretion or amortisation of original issue discount;
 - (3) the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms;
 - (4) the reclassification of preferred stock or of operating leases or any other instrument or transaction as Indebtedness due to a change in accounting principles or in GAAP or due to a modification of such operating leases; and
 - (5) the payment of dividends on preferred stock or Disqualified Stock in the form of additional shares of the same class of preferred stock or Disqualified Stock.
- (e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilised, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred. Notwithstanding any other provision of this Condition 3.5, the maximum amount of Indebtedness that the Issuer or any of its Restricted Subsidiaries may incur pursuant to this Condition 3.5 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.
- (f) The amount of any Indebtedness outstanding as of any date shall be:



- (1) the accreted value of the Indebtedness as of such date, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness as of such date, in the case of any other Indebtedness; and
- (3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (A) the Fair Market Value of such assets as of such date; and
 - (B) the amount of the Indebtedness of the other Person as of such date.

3.6 Designation of Restricted and Unrestricted Subsidiaries

- (a) The Board may designate any Restricted Subsidiary of the Issuer (other than the Significant Guarantors) to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Issuer and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary shall be deemed to be an Investment made as of the time of the designation. That designation shall be permitted only if the Investment would be permitted at that time under Condition 3.4 hereof and if the Restricted Subsidiary otherwise meets the definition of an "Unrestricted Subsidiary."
- (b) The Board may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Issuer of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall be permitted only if:
 - (1) the incurrence of such Indebtedness is permitted under Condition 3.5 hereof, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and
 - (2) no Default would be in existence following such designation.
- (c) For the avoidance of doubt, none of the Significant Guarantors may be designated as an Unrestricted Subsidiary.

3.7 Merger and sale of assets

- (a) The Issuer may consolidate with or merge into, or convey, transfer or lease all or substantially all of the Issuer's properties and assets to, any Person; provided that:
 - (1) the resulting, surviving or transferee Person is substituted for the Issuer as issuer of the Notes in accordance with Condition 15; and
 - (2) except in connection with a merger of the Issuer with a Significant Guarantor, immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing.
- (b) A Guarantor may consolidate with or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, any Person provided that:
 - (1) except in the case of:
 - (A) such a Guarantor that has been Disposed of in its entirety to another Person (other than to the Issuer or a Subsidiary of



the Issuer) or otherwise ceases to be a Guarantor as a result of such transaction or series of transactions, whether through a merger, consolidation or sale of Capital Stock or assets; or

- (B) a Guarantor conveying, transferring or leasing all or substantially all of its properties and assets in circumstances where, at the time of the conveyance, transfer or lease, such Guarantor could have been Disposed of in its entirety to another Person and ceased to be a Guarantor as contemplated by (A) above,

the resulting, surviving or transferee Person becomes a Guarantor to the extent such resulting, surviving or transferee Person is not the Issuer or already a Guarantor; and

- (2) except in connection with a merger of such Guarantor with the Issuer or another Guarantor, immediately after giving effect to such transaction, no Event of Default shall have occurred and be continuing.
- (c) For the avoidance of doubt, this Condition 3.6 shall not restrict mergers, conveyances, transfers or leases by a Restricted Subsidiary of the Issuer that is not a Guarantor.

4 Transfers

4.1 Transferability

Notes (subject to the provisions of the Global Certificate in the case of Notes evidenced by such a certificate) may be transferred in accordance with this Condition 4:

- (a) in whole;
- (b) in compliance with all applicable laws, regulations and Clearing System Regulations; and
- (c) if:
- (1) the amount payable by the transferee is at least A\$500,000 (or its equivalent in another currency, in either case disregarding moneys lent by the transferor or its Associates to the transferee); or
 - (2) the transfer is the result of an offer or invitation that otherwise does not require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act and is to a person that is not a "retail client" as defined in section 761G of the Corporations Act.

The Notes are not otherwise transferable.

4.2 Transfer procedures

- (a) A Holder may apply for the transfer of a Note by lodging with the Registrar a duly completed Transfer Form signed by the transferor and the transferee, together with any certificate that has been issued to evidence such Notes and such evidence as the Registrar may require to prove:



- (1) the identity of the transferor and the transferee, their respective authorities to execute and effect transfer of the Note and that the requirements of this Condition 4 in relation to the transfer are satisfied;
 - (2) that any Taxes applicable to the transfer have been paid; and
 - (3) that the Transfer Form has been duly executed.
- (b) Subject to this Condition 4, the Issuer will arrange for the Registrar to enter the transferee's name in the Register without charge promptly after receipt of a valid application for transfer of the Note in accordance with Condition 4.2(a).
- (c) The transferor of a Note remains the Holder of that Note until the name of the transferee is recorded in the Register as the Holder of that Note.
- (d) Notes entered in a Clearing System will be transferable only in accordance with the Clearing System Regulations applicable in respect of that Clearing System and rights and obligations of Holders will be subject to the Clearing System Regulations. The Issuer will not be responsible for any loss occasioned by the failure of any such Clearing System or the failure of any person (except the Issuer) to perform its obligations under any applicable Clearing System Regulations or otherwise.

4.3 Restrictions on transfer

- (a) The Issuer is not required to arrange for the registration of a transfer of a Note:
- (1) during the period between notice being given in respect of the Note under Condition 10.3(a) and the date referred to in that notice; or
 - (2) during the period from the Record Time on a Record Date for a payment or determination or exercise of voting rights in respect of the Note until the Business Day after the date payment is due or the result of the relevant Resolutions are known unless the Record Date relates to a meeting that has been adjourned or a Resolution to be passed without holding a meeting and the transferee has signed an acknowledgment of:
 - (A) the proposed Resolutions; and
 - (B) the fact that it is not entitled to vote on and will be bound by the Resolutions in form and substance satisfactory to the Issuer.
- (b) The transfer of a Note to:
- (1) more than four persons jointly; or
 - (2) an unincorporated association,
- is not permitted.
- (c) A Note held by Austraclear and lodged in the Austraclear System is not transferable except:
- (1) to the Issuer for the purposes of the repurchase, redemption or cancellation of the Note; or
 - (2) in such other circumstances as are permitted by the Austraclear Regulations.
- (d) A Note evidenced by a Global Certificate is not transferable except:
- (1) to the Issuer for the purposes of the repurchase, redemption or cancellation of the Note;



- (2) where the transfer is a transfer of all the Notes to another person to hold on behalf of the operators of the Clearing Systems on whose behalf the Global Certificate is held or their respective successors; or
 - (3) in such other circumstances as are specified in the Global Certificate.
- (e) Nothing in this Condition 4.3 restricts the transfer within a Clearing System of an interest in a Note in accordance with the applicable Clearing System Regulations.

4.4 Transfer of unidentified Notes

An application by a Holder for the transfer of less than all the Notes of any Series registered in its name may be registered by the Registrar in respect of such of those Notes as the Registrar thinks fit unless the specific Notes to be transferred are identified to the Registrar's satisfaction in the Transfer Form.

4.5 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Holder or of a vesting order, or a person administering the estate of a Holder and entitled by law to do so, may apply for the transfer of the Note as if it was the Holder of the Note or, if so entitled, become registered as the Holder of the Note upon producing such evidence as to that entitlement or status as the Registrar considers sufficient.

4.6 Taxes

The Holder must pay any Taxes imposed in any jurisdiction in connection with any transfer or other dealing with a Note.

4.7 Entitlement to outstanding payments

- (a) The transferor of a Note remains entitled, to the exclusion of the transferee or any other person, to any payment due on the Note for which it is the Record Date Holder.
- (b) If a payment referred to in Condition 4.7(a) is not made when due then the transferor is to be regarded, solely for the purposes of enforcing its right to that payment, as the Holder of the Note.

5 Interest

5.1 General

Each Note bears interest:

- (a) in accordance with Conditions 5.2, 5.4 and 5.5 if it is a Fixed Rate Note;
- (b) in accordance with Conditions 5.3, 5.4 and 5.5 if it is a Floating Rate Note;
- (c) in accordance with Condition 5.5 but not otherwise if it is a Zero Coupon Note;
or
- (d) in accordance with such other terms as may be specified in the Pricing Supplement.



5.2 Fixed Rate Notes

- (a) Fixed Rate Notes bear interest during each Interest Period in the fixed coupon amount, or at the fixed rate, and on the basis specified in or determined in accordance with the Pricing Supplement and this Condition 5.2.
- (b) If the Pricing Supplement specifies a fixed amount of interest to be payable on any Interest Payment Date (including, in the case of the first Interest Payment Date or the Maturity Date, by specifying an “Initial Broken Amount” or “Final Broken Amount” respectively) then that amount of interest will be due in respect of the Interest Period immediately preceding that date.
- (c) If the Pricing Supplement does not specify a fixed amount of interest to be payable on an Interest Payment Date, the amount of interest payable in respect of the Interest Period immediately preceding that Interest Payment Date is the amount obtained by multiplying the outstanding principal amount of the Note as at the first day of the Interest Period (excluding any part thereof that falls due for payment on or before that day) by the fixed rate applicable to that Interest Period specified in or determined in accordance with the Pricing Supplement and then multiplying the resulting product by the Day Count Fraction.

5.3 Floating Rate Notes

- (a) Floating Rate Notes bear interest during each Interest Period at the rate and on the basis determined in accordance with the Pricing Supplement and this Condition 5.3.
- (b) The amount of interest payable for any Interest Period is the amount obtained by multiplying the outstanding principal amount of the Note on the first day of the Interest Period (excluding any part thereof falling due for payment on or before that date) by the interest rate for that Interest Period determined in accordance with the Pricing Supplement (and, to the extent applicable, this Condition 5.3) and then multiplying the resulting product by the Day Count Fraction.
- (c) If “Screen Rate Determination” is specified in the Pricing Supplement as applicable to a Floating Rate Note, the Interest Rate during any Interest Period will be the aggregate of the Margin and the Relevant Rate which appears on the Relevant Screen Page at the Relevant Time, unless:
 - (1) more than one but less than five Relevant Rates are displayed on the Relevant Screen Page at the Relevant Time, in which case the Interest Rate for the Interest Period is the aggregate of the Margin and the average of the Relevant Rates so displayed;
 - (2) five or more Relevant Rates are displayed on the Relevant Screen Page at the Relevant Time, in which case the Interest Rate for the Interest Period is the aggregate of the Margin and the average of the Relevant Rates so displayed, disregarding highest and the lowest (or, in the case of equality, one of the highest and one of the lowest); or
 - (3) no Relevant Rate appears (or, if more than one Relevant Rate would customarily be displayed on the Relevant Screen Page, less than 2 Relevant Rates appear) on the Relevant Screen Page at the Relevant Time, in which case the Interest Rate for the Interest Period is the aggregate of the Margin and the base rate determined under Condition 5.3(d).
- (d) If Condition 5.3(c)(3) applies, the base rate to be used to calculate the Interest Rate is:



- (1) the average of the Relevant Rates being quoted by the Reference Banks to leading banks in the Relevant Financial Centre at the Relevant Time; or
 - (2) if fewer than two Reference Banks are so quoting, the average of the rates percent per annum that the Calculation Agent determines to be the nearest equivalent to the Relevant Rate that are being quoted to leading banks in the Relevant Financial Centre by two or more leading institutions in the Relevant Financial Centre selected by the Calculation Agent at or about the date and time on which such institutions would customarily quote such rates for a period equivalent to the Interest Period and commencing on the first day of the Interest Period.
- (e) If "ISDA Determination" is specified in the Pricing Supplement as applicable to a Floating Rate Note, the Interest Rate applicable during any Interest Period will be the aggregate of the Margin and the "Floating Rate" that would be applicable to that Interest Period if it was a "Calculation Period" under an interest rate swap transaction incorporating the ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) under which:
- (1) the "Floating Rate Option", "Designated Maturity", "Period End Dates", "Spread" and other relevant terms defined in the ISDA Definitions were as specified in the Pricing Supplement; and
 - (2) subject to Condition 5.3(e)(1), the "Reset Date" was the first day of the Interest Period and the "Floating Rate Day Count Fraction" was the Day Count Fraction.
- (f) If "BBSW Determination" is specified in the Pricing Supplement as applicable to a Floating Rate Note, the Interest Rate applicable to that Floating Rate Note for each Interest Period is the sum of the Margin and BBSW.
- In this Condition 5.3(f):
- (1) "BBSW" means, for an Interest Period, the Australian Bank Bill Swap Reference Rate administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that rate) for the period closest to the Interest Period displayed on page BTMM AU administered by Bloomberg (or any replacement Bloomberg page which displays that rate) on the first Business Day of that Interest Period.
 - (2) However, if such rate does not appear on the Bloomberg BTMM AU page (or any replacement page) by 10.30 am on that day (or such other time that is 15 minutes after the then prevailing publication time), or if it does appear but the Calculation Agent determines that there is a manifest error in that rate, BBSW means such other substitute or successor base rate that an alternate financial institution appointed by the Calculation Agent (upon written direction of the Issuer) determines, in its sole discretion, is most comparable to the BBSW rate and is consistent with industry accepted practices, which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) by such alternate financial institution. The rate determined by such alternate financial institution and notified in writing to the Calculation Agent (with a copy to the Issuer) will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent).
- (g) If the Interest Rate for any Interest Period would otherwise be less than any minimum interest rate or greater than any maximum interest rate specified in



the Pricing Supplement for the Interest Period, the Interest Rate for the Interest Period is the minimum interest rate or maximum interest rate so specified.

- (h) If the Calculation Agent is unable to determine the Interest Rate for an Interest Period in accordance with the above provisions, the Interest Rate for that Interest Period will be the Interest Rate for the immediately preceding Interest Period, adjusted to the extent necessary to reflect any change in the Margin, or in any maximum interest rate or minimum interest rate.

5.4 Accrual and payment

Interest due on a Note in respect of each Interest Period accrues on a daily basis and is payable in arrears on the following Interest Payment Date.

5.5 Interest on overdue amounts

- (a) The Issuer must pay interest on any amount of principal that is due and payable by it on a Note but unpaid.
- (b) Interest payable under Condition 5.5(a):
- (1) accrues from day to day from and including the due date for payment up to the actual date of payment at the interest rate applicable to the Note on the date the amount fell due (or in the case of a Zero Coupon Note, at the Amortisation Yield applicable to it); and
 - (2) must be paid by the Issuer when it pays the overdue amount.

6 Redemption, purchase and cancellation

6.1 Redemption on Maturity Date

The Issuer must redeem each Note on its Maturity Date by paying to the Record Date Holder the outstanding principal amount of the Note on that date.

6.2 Scheduled repayments prior to Maturity Date

The Issuer must repay part of the outstanding principal amount of each Note on each Scheduled Repayment Date (if any) for the Note by payment to the Record Date Holder of the Scheduled Repayment Amount on that date.

6.3 Early redemption for taxation reasons

- (a) If the Issuer would be required to pay any Additional Amount when the next payment is due on the Notes of any Series, the Issuer may redeem all of the Notes in the relevant Series in accordance with this Condition 6.3.
- (b) If the Issuer wants to redeem Notes under this Condition 6.3 it must give notice to the Holders of the Notes specifying:
- (1) that the Notes will be redeemed under this Condition 6.3;
 - (2) the date for the redemption of the Notes, which must be a Business Day falling not less than 30 days and not more than 60 days after the date the notice is given; and



- (3) that the Issuer has delivered to the Registrar a certificate signed by two officers of the Issuer and an opinion of legal advisers to the Issuer of recognised standing in the Commonwealth of Australia to the effect that the Issuer would be required to pay an Additional Amount when the next payment is due on the Notes,

but the accidental or inadvertent failure to give notice to a Holder under this Condition 6.3(b) does not affect the validity of the notice.

- (c) The Issuer must deliver to the Registrar the documents referred to in Condition 6.3(b)(3) prior to giving notice under Condition 6.3(b).
- (d) Notice under Condition 6.3(b) is irrevocable, and on the date specified in the notice the Issuer must redeem all of the Notes by paying to the Record Date Holders the applicable Early Redemption Amount of the Notes and (unless otherwise specified in the Pricing Supplement) any accrued but unpaid interest on the Notes.

6.4 Early redemption at the option of the Issuer

- (a) If this Condition 6.4 is specified in the Pricing Supplement as being applicable to any Notes, then the Issuer may redeem all of the Notes of the relevant Series, or such portion of those Notes as is expressly permitted by the Pricing Supplement, in accordance with this Condition 6.4.
- (b) If the Issuer wants to redeem Notes under this Condition 6.4 it must give notice to the Holders of the relevant Series specifying:

- (1) that the Notes, or the relevant portion of the Notes, are to be redeemed under this Condition 6.4;
- (2) if only some of the Notes are to be redeemed, that the Notes to be redeemed will be selected and notified to the Holders in accordance with Condition 6.4(d) not less than 15 days (or such other period as is specified in the Pricing Supplement) prior to the date fixed for redemption; and
- (3) the date for redemption of the Notes, which must comply with Condition 6.4(c),

but accidental or inadvertent failure to give notice to any Holder will not affect the validity of the notice.

- (c) The date fixed for redemption of any Notes under this Condition 6.4 must:
- (1) be a Business Day falling within any "Call Period" specified in the Pricing Supplement and not less than 30 days and not more than 60 days (or such other period as are specified in the Pricing Supplement) after the date the notice is given; and
- (2) be a "Call Date" specified in the applicable Pricing Supplement (if any such dates are so specified) and in the case of an interest bearing Note, unless otherwise specified in the Pricing Supplement, an Interest Payment Date.
- (d) Notice given under Condition 6.4(b) is irrevocable and the Issuer must:
- (1) if only some of the Notes of the Series are to be redeemed, procure that the Registrar selects the Notes to be redeemed by lot (or by such other method as is specified in the Pricing Supplement) and notifies the Holders of the Notes so selected not less than 15 days (or such other period as is specified in the Pricing Supplement) prior to the date fixed for redemption; and



- (2) redeem the Notes, or the Notes so selected, by paying to the relevant Record Date Holders the applicable Early Redemption Amount and any accrued but unpaid interest on the Notes.

6.5 Early redemption at the option of Holders

- (a) If this Condition 6.5 is specified in the Pricing Supplement as being applicable to any Notes, the Holder of those Notes may require the Issuer to redeem any or all of those Notes subject to and in accordance with this Condition 6.5 and the terms set out in the Pricing Supplement.
- (b) A Holder may require the Issuer to redeem Notes held by the Holder by giving notice to the Issuer and the Registrar:
 - (1) in the form (if any) available from the Registrar;
 - (2) specifying that the Holder requires the Notes to be redeemed in accordance with this Condition 6.5;
 - (3) specifying the date for redemption, which must comply with Condition 6.5(c); and
 - (4) accompanied with such evidence as the Registrar may require to establish the identity of the person giving the notice and his or her authority to do so.
- (c) The date fixed for redemption of any Note under this Condition 6.5 must:
 - (1) be a Business Day falling within the "Put Period" specified in the Pricing Supplement and not less than 45 days (or such other period as is specified in the Pricing Supplement) after the date the notice is given; and
 - (2) be a "Put Date" specified in the Pricing Supplement (if any such dates are so specified) and in the case of an interest bearing Note, an Interest Payment Date.
- (d) A Holder may not give notice requiring the Issuer to redeem an Note held by it after the Issuer has given notice that it will redeem the Note under Condition 6.3 or 6.4.
- (e) Notice under Condition 6.5(b) is irrevocable and on the date specified for redemption the Issuer must redeem the Notes by paying to the Record Date Holder the applicable Early Redemption Amount of the Notes and any accrued but unpaid interest on the Notes.

6.6 Early redemption at the option of the Issuer following Holder put event (clean up call)

- (a) If an event referred to in Condition 6.5 occurs and, following the exercise the Holders rights' and the performance of the Issuer's obligations under the applicable Condition, less than 20% of the aggregate outstanding principal amount of all Notes issued under that Series remain outstanding, the Issuer may redeem all of the Notes of that Series which remain outstanding in accordance with this Condition 6.6.
- (b) The Issuer may redeem Notes under this Condition 6.6 as if the redemption was a redemption under Condition 6.4, for which purpose:
 - (1) the "Call Period" will be treated as the period commencing on the date of redemption of the Notes redeemed under Condition 6.5 and ending on the Maturity Date;



- (2) each day in that period will be treated as a “**Call Date**”; and
- (3) no Early Redemption Premium will be payable.

6.7 Purchase of Notes

- (a) The Issuer, any Guarantor or any of their Related Bodies Corporate may at any time purchase Notes in the open market or otherwise and at any price.
- (b) Notes purchased by the Issuer, any Guarantor or any of their Related Bodies Corporate may be cancelled or re-sold at the option of the Issuer.

6.8 Cancellation

Each Note is cancelled and of no further force and effect upon:

- (a) the Note being redeemed by the Issuer in accordance with the Conditions or purchased and cancelled under Condition 6.7; or
- (b) the Holder becoming precluded from making any claim for payment in relation to the Note under Condition 9.

7 Calculations

7.1 Calculation Agent

The Issuer must ensure that the Calculation Agent makes any determination or calculation required by the Conditions in respect of any Note and notifies the Issuer, the Registrar and the Paying Agent of such determination or calculation as soon as practicable after it is made.

7.2 Rounding

All calculations in respect of principal, interest and other amounts that are due and payable to a Holder in respect of the Holder's aggregate holding of the Notes will be rounded to the nearest cent (or, if payment is due in another currency, to the lowest unit of such currency) (with halves being rounded up), and percentages and figures will be rounded to the nearest fourth decimal place (with 0.00005 rounded to 0.0001).

7.3 Calculation binding

The calculation and determinations made by the Calculation Agent are, in the absence of manifest error, final and binding on the Issuer and each Holder.

8 Payments

8.1 Manner of payments

All payments on a Note must be made:

- (a) in the currency in which the Note is denominated or as otherwise specified in the Pricing Supplement; and



- (b) on or before the due date,

to the account for payment specified by the Record Date Holder of the Note and recorded in the Register at the Record Time on the Record Date or, if the Note is at that time held by Austraclear and entered in the Austraclear System, to the account or accounts required to effect payment in accordance with the Austraclear Regulations. Payment on redemption of any Note evidenced by a certificate will only be made against surrender of that certificate or the provision to the Issuer of such indemnity and evidence of its loss or destruction as the Issuer may require.

8.2 Receipt and cancellation of payments

- (a) The Issuer is regarded as having made payment on a Note to an account upon the giving of all necessary instructions for the transfer of the relevant funds to the account so long as:
- (1) the instructions are given effect to in accordance with normal banking procedures; or
 - (2) Condition 8.2(b) applies and the Issuer acts in accordance with that Condition.
- (b) If instructions for the transfer of funds to an account are not given effect to in accordance with normal banking procedures because the account does not exist or is not on account to which the relevant payment may be made or because the details of the account do not match the details recorded in the Register, the Issuer may cancel the transfer and pay the relevant amount (net of any applicable deduction or withholding) in accordance with Condition 8.3(a).

8.3 Payments to Paying Agent

- (a) If a payment on a Note cannot be made in accordance with Condition 8.1 because no account to which payment may be made has been notified by the Record Date Holder and recorded in the Register as at the Record Time on the Record Date, or if instructions to transfer the relevant amount are not given effect to for the reasons contemplated in Condition 8.2, the payment must be made by payment to the Paying Agent to hold in accordance with Condition 8.3(b).
- (b) Payments to a Paying Agent of an amount due on a Note under Condition 8.3(a) must be on terms that the Paying Agent will hold the amount paid on trust for, and make payment (net of any applicable deduction or withholding) on demand to, the Record Date Holder (or, if payment is not claimed by the Record Date Holder within the time specified in Condition 9, the Issuer).
- (c) Payment of an amount due in respect of a Note in accordance with Condition (a) discharges the obligation of the Issuer to pay that amount.
- (d) This Condition 8.3 does not limit the right of the Issuer to arrange for a Paying Agent to make payments on a Note on its behalf.

8.4 Adjustment of dates for payment

- (a) If a payment on a Note is due to be made on a day which is not a Business Day, the due date for that payment will be adjusted according to the applicable Business Day Convention but no adjustment will be made to the amount due.
- (b) If a payment on a Note is due to be made to an account on a Business Day on which banks are not open for general banking business in the city in which the account is located, the Holder is not entitled to the payment until the next



Business Day on which banks in such city are open for general banking business and is not entitled to any additional interest or other payment in respect of the delay.

- (c) If a payment on a Note held by a Clearing System and entered in the that Clearing System cannot be made on a Business Day that is the due date for the payment for the reason that the Clearing System is not operating, that Clearing System is not entitled to the payment until the next Business Day on which the Clearing System is operating and is not entitled to any additional interest or other payment in respect of the delay.

8.5 Payment subject to fiscal laws

The Issuer's obligations to make payments on the Notes are subject to laws applicable to the Issuer, the Paying Agent, the Holders, the Registrar and Austraclear, and any other applicable Clearing System in which the Notes are held and entered..

8.6 Payments in gross

Subject to Condition 8.7, all payments which the Issuer is required to make on the Notes must be without:

- (a) set-off, counterclaim or condition; or
- (b) any deduction or withholding for any Tax or any other reason unless the Issuer is required to make the deduction or withholding by applicable law.

8.7 Additional Amounts

If the Issuer is required to make a deduction or withholding in respect of any Tax assessed, levied, imposed or collected by a Government Agency of the Commonwealth of Australia or any political subdivision therein or thereof (**Relevant Tax**), the Issuer must:

- (a) pay the amount deducted or withheld to the appropriate Government Agency as required by law; and
- (b) if the Notes are specified in their Pricing Supplement to be "Section 128F Compliant", pay to the Holder such additional amount (**Additional Amount**) as is necessary to ensure that the Holder receives when due a net amount (after any deduction or withholding of any Relevant Tax in respect of each Additional Amount) equal to the full amount it would have received if the deduction or withholding had not been made,

except that no Additional Amounts are payable in relation to any deduction or withholding in respect of any Tax from any payments on any Note:

- (c) which is required (other than under section 128B(2A) of the Tax Act) by reason of the Holder having some connection with the Commonwealth of Australia or any political subdivision therein or thereof other than the mere holding of the Note or receipt of the payment;
- (d) which could have been lawfully avoided or reduced by the Holder complying or procuring that any third party complied with any statutory requirements or making or procuring that any third party made a declaration of non-residence or similar cause for exemption to any Government Agency or other person in the Commonwealth of Australia or the place where payment under the Note is made;
- (e) which is required by reason of the Holder failing to supply or failing to procure a third party to supply an appropriate tax file number (TFN) or Australian Business



- Number (ABN) or details of an applicable exemption from the requirement to supply such a number;
- (f) which is required by reason of the Holder being an Associate of the Issuer;
 - (g) which is required by reason of the Australian Commissioner of Taxation giving a notice under section 255 of the Tax Act or section 260-5 of Schedule 1 of the *Taxation Administration Act 1953* (Cth);
 - (h) which is required by reason of the payment being made after the due date, provided that the Issuer is not in breach of its obligation to make the payment under this Condition 8 and the deduction or withholding would not have been required had payment been made on the due date;
 - (i) which is a requirement of FATCA; or
 - (j) in such other circumstances as are specified in the Pricing Supplement.

9 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within:

- (a) in the case of principal and redemption amounts, 10 years; or
- (b) in the case of interest and other amounts, 5 years,
after the due date for payment.

10 Events of Default

10.1 Events of Default

It is an Event of Default, whether or not it is within the control of an Obligor, if any of the following events occurs and is continuing:

- (a) **failure to pay:** the Issuer fails to pay or repay any principal amount due on any Note when such amount becomes due and payable or the Issuer fails to pay interest on any Note within 30 days after the same becomes due and payable;
- (b) **failure to perform other obligations:** the Issuer defaults in performing and observing any other Condition and such default is not remedied within 60 days after the Issuer receives written notice of the default from a Holder or Holders (such written notice to be identified as a 'notice of default' and to refer specifically to this Condition 10.1(b)) holding at least 25% in principal amount of the outstanding Notes;
- (c) **bankruptcy:** the Issuer or any of the Issuer's Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Issuer that, taken together, would constitute a Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:
 - (1) commences a voluntary case;
 - (2) consents to the entry of an order for relief against it in an involuntary case;
 - (3) consents to the appointment of a Bankruptcy Custodian of it or for all or substantially all of its property;



- (4) makes a general assignment for the benefit of its creditors;
- (5) consents to or acquiesces in the institution of a bankruptcy or an insolvency proceeding against it;
- (6) takes any comparable action under any foreign laws relating to insolvency,

in each case other than in connection with a consolidation or merger, or conveyance or transfer of all or substantially of its assets, permitted under Condition 3.7;

- (d) **liquidation:** a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

- (1) appoints a liquidator of the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of its (or their) property; or
- (2) orders the liquidation of the Issuer, any Restricted Subsidiary of the Issuer that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, and the order or decree remains unstayed and in effect for 60 days,

in each case other than in connection with a consolidation or merger, or conveyance or transfer of all or substantially of its assets, permitted under Condition 3.7;

- (e) **violation of Guarantee:** any Significant Subsidiary or a Guarantor claims in writing that it is not bound by the Guarantee, in either case other than in connection with a release permitted by Condition 3.2.

10.2 Notice of Event of Default

The Issuer must give notice to each Holder of the occurrence of any Default or Event of Default which is subsisting within 30 days of becoming aware of it, specifying the event and any action being taken or proposed by the Issuer to remedy it.

10.3 Consequences of an Event of Default

- (a) If an Event of Default occurs and is continuing under Condition 10.1(c) or Condition 10.1(d) then any Holder of Notes may by notice to the Issuer and the Registrar declare that those Notes will become immediately due and payable upon the date of such notice.
- (b) If an Event of Default occurs and is continuing other than under Condition 10.1(c) or Condition 10.1(d) then any Holder or Holders of Notes representing 25% or more in principal amount of the Notes outstanding may by notice to the Issuer and the Registrar declare that those Notes will become immediately due and payable upon the date of such notice.
- (c) If on the date of a notice given in accordance with Condition 10.3(a) or Condition 10.3(b) the Event of Default to which that notice related is continuing then the Issuer must redeem the Notes declared due and payable pursuant to such notice by payment of their Early Redemption Amount plus (unless otherwise specified in the Pricing Supplement) accrued interest.



11 Further issues

The Issuer may, without the consent of any Holder, issue further Notes on the same terms and conditions as Notes then outstanding in all respects (or in all respects except for the Issue Date, the Interest Commencement Date and the first payment of interest, if any, on them) and designate that those Notes form part of a single Series with the existing Notes.

To avoid doubt, this Condition 11 does not limit the terms on which the Issuer may issue Notes.

12 Meetings

12.1 When meetings may be convened

Meetings of Holders may be convened in accordance with the Meeting Provisions to consider matters affecting the interests of Holders of that Series, including the variation of the Conditions, the granting of any approval, consent or waiver and the declaration of any Event of Default.

12.2 Powers of meetings

The Holders may by Extraordinary Resolution:

- (a) approve any amendment to the Conditions or any Note Document, including any amendment to the due amount, currency or date of any payment under the Notes;
- (b) approve any compromise of, or arrangement in relation to, the rights of the Holders under the Conditions or any Note Document;
- (c) waive any breach, or authorise any proposed breach by the Issuer or any other person of the Conditions or any Note Document;
- (d) approve the exchange of the Notes for other obligations or securities of the Issuer or any other person or the substitution of any other person as Issuer of the Note;
- (e) confer on any other person or persons the authority to do on behalf of the Holders anything required to give effect to an Extraordinary Resolution or to exercise on behalf of the Holders the powers of the Holders exercisable by Extraordinary Resolution; or
- (f) do any other thing for which an Extraordinary Resolution is required under the Conditions or any Note Document.

The Holders may by Extraordinary Resolution or Ordinary Resolution give any approval, consent or waiver, make any declaration or other decision or do any other thing for which an Extraordinary Resolution is not required as specified in this Condition 12.2.

12.3 Resolutions binding

A resolution of Holders, passed or regarded as passed in accordance with the Meeting Provisions is binding on all the Holders, and all the Holders are bound to give effect to it, whether or not such Holders are present at the meeting or otherwise participate in the passing or deemed passing of the resolution.



12.4 Application of Meeting Provisions

The Meeting Provisions apply in relation to the Notes as if set out in full in these Conditions.

13 Amendments

13.1 Amendment without consent

The Issuer may amend or vary the Conditions and the provisions of any Note Document applicable to any Note without the consent of any Holder:

- (a) for the purposes of correcting any manifest error;
- (b) where the amendment is of a formal, minor or technical nature, or is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and does not materially prejudice the interests of the Holders;
- (c) to comply with mandatory provisions of law of the jurisdiction in which an Obligor is incorporated; or
- (d) where the amendment or variation only applies to Notes issued after the date of amendment.

13.2 Amendment with consent

The Issuer may amend or vary the Conditions or the provisions of any Note Document applicable to the Notes with the approval of an Extraordinary Resolution of Holders.

13.3 Notice of amendments

The Issuer must give to the Registrar and each affected Holder a copy of any variation to the Conditions or the provisions of any of the Note Documents applicable to any Notes or the provisions of the Deed Poll as soon as reasonably practicable after that variation is made.

14 Agents

- (a) Each Agent acts as agent for the Issuer and, except in relation to any amount paid to the Agent to hold on trust for the Holder, has no duty or obligation to any Holder.
- (b) The Issuer may at any time terminate the appointment of an Agent or appoint replacement or additional Agents, but must notify the Registrar and each relevant Holder of such termination or appointment.
- (c) The Issuer must ensure at all times for so long as any Notes are outstanding that an Agent acts in respect of such matters relating to the Notes for which the Deed Poll, these Conditions or the Pricing Supplement requires an Agent to act.



15 Substitution of Issuer

15.1 Substitution

The Issuer may by notice to the Holders at any time substitute for the Issuer any Restricted Subsidiary or any Person with or into whom the Issuer proposes to consolidate or merge, or to whom the Issuer proposes to convey, transfer or lease all or substantially all of its properties and assets (the **Substituted Issuer**) as issuer in respect of the Notes if:

- (a) the Substituted Issuer has executed a legally valid and binding deed poll in favour of the Holders assuming all obligations of the Issuer under the Notes (**Substituted Issuer Deed Poll**);
- (b) the Guarantee extends, or each Guarantor has executed a new instrument on the same terms as the Deed Poll of Guarantee which extends, to the obligations of the Substituted Issuer;
- (c) the Substituted Issuer has obtained any authorisations required in the jurisdiction in which it is organised and (if different) under the laws of Australia for the Substituted Issuer to assume and perform the obligations of the Issuer in respect of the Notes; and
- (d) the Substituted Issuer and the Issuer shall have obtained legal opinions (in form and substance satisfactory to the Issuer) in relation to the satisfaction of the conditions set out in paragraphs (a) to (c) above.

15.2 Effective Date

A substitution under this Condition 15 takes effect on and from the date (**Effective Date**) specified in the notice given under Condition 15.1, which must be a date not earlier than the date on which the notice is given.

15.3 Effect of substitution

On and with effect from the Effective Date:

- (a) the Substituted Issuer assumes all of the obligations of the Issuer with respect to the Notes (whether accrued before, on or after the Effective Date);
- (b) any reference in the Conditions of the Notes to the Issuer will be construed as a reference to the Substituted Issuer (unless the Substituted Issuer is or becomes a Subsidiary of the Issuer, in which case references to the Issuer in Conditions 3.2 (except insofar as it would require the Substituted Issuer to be a Guarantor), 3.4, 3.5, 3.6 and 3.7 and in all related definitions will continue to be construed as references to the Issuer); and
- (c) reference in Conditions 6.3 and 8.7 to Australia will be construed as references to the country in which the Substitute Issuer is domiciled or resident for taxation purposes.

Despite the foregoing, if the Substitute Issuer is a Subsidiary of the Issuer or a person to whom the Issuer has conveyed or transferred substantially all, but not all of its property and assets, or has leased all or substantially all of its property and assets, the Issuer will continue to be liable for payment of principal or interest on the Notes in the event of default in payment by the Substitute Issuer.



16 Notices

- (a) Any notice or other communication including, any request, demand, consent or approval, to the Issuer, the Registrar or a Holder under the Deed Poll, the Deed Poll of Guarantee. or these Conditions:
- (1) must be in legible writing and in English addressed as shown below:
- (A) if to the Issuer or a Guarantor:
- Address: 56 Edmondstone Road
Bowen Hills
Brisbane Queensland 4006
Australia
- Attention: Group Treasurer
- (B) if to the Registrar:
- Address: Level 2
1 Bligh Street
Sydney New South Wales 2000
Australia
- Attention: Global Client Services
- (C) if to a Holder:
- Address: the address of the Holder as shown in the Register at the Record Time 3 Business Days prior to the dispatch of the relevant notice or communication
- Facsimile: to the facsimile number of the Holder as shown in the Register at the Record Time 3 Business Days prior to the dispatch of the relevant notice or communication
- Email: to such email address of the Holder as shown in the Register at the Record Time 3 Business Days prior to the dispatch of the relevant notice or communication
- Other: an advertisement published in the Australian Financial Review or any other newspaper circulating in Australia generally,
- or as specified to the sender (or if the sender is a Holder, to that Holder or to Holders generally) by the recipient by notice;
- (2) where the sender is a Holder that is a company, must be under the common seal of the sender or signed on behalf of the sender and accompanied by such evidence of the signatory's authority as may be required by the recipient; and
- (3) is regarded as being given by the sender and received by the addressee:
- (A) if by delivery in person, when delivered to the addressee;
- (B) if by prepaid post (and airmail if appropriate), 3 Business Days (or, if sent from outside Australia, 5 Business Days) from and including the date of postage; and
- (C) if by publication in a newspaper, on the date of publication,



but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time) it is regarded as received at 9.00 am on the following Business Day.

- (b) A notice from or expressed to be from a Holder can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (c) In this Condition 16, a reference to an addressee includes a reference to an addressee's officers, agents or employees or any person reasonably believed by the sender to be an officer, agent or employee of the addressee.

17 Governing law and jurisdiction

- (a) The Notes and these Conditions are governed by the laws of New South Wales.
- (b) The Issuer and the Holders irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer and the Holders irrevocably waive any right they have to object to an action being brought in the courts of New South Wales and courts of appeal from them, to claim that such action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

Meeting Provisions

The following are the rules which apply to the calling and holding of meetings of Holders of Notes issued by Virgin Australia Holdings Limited (ABN 54 100 686 226) (**Issuer**) under the deed poll entitled “Deed Poll for Medium Term Notes” (**Deed Poll**) dated on or about 17 May 2018 and executed by the Issuer and the passing of resolutions of those Holders.

1 Definitions and interpretation

- (a) In these rules terms defined in the Deed Poll have the same meaning and:

Term	Meaning
Extraordinary Resolution	a resolution: <ol style="list-style-type: none"> 1 of which notice has been given under rule 3(b) and which is passed at a Meeting by a majority of at least 75% of the votes cast on the resolution; or 2 passed as an Extraordinary Resolution under rule 11.
Meeting	a meeting of Holders called and held or to be called and held in accordance with these rules and includes the attendance of a single person entitled to be present at a time and place specified for the holding of such a Meeting.
Ordinary Resolution	means a resolution passed at a Meeting or under rule 11 other than an Extraordinary Resolution.
Proxy	means a person that has been appointed as a proxy for a Holder in accordance with rule 10(b)

- (b) Clause 1 of the Deed Poll and the rules of interpretation specified in the applicable Conditions apply to these rules as if set out in full with the necessary changes being made.
- (c) A person is to be taken to be present at a Meeting if the person is present in person or, in the case of a Holder, by Proxy or if the person or its Proxy participates in the Meeting by telephone or other electronic means permitted under rule 7(h).
- (d) Subject to rule 13:
- (1) these rules apply in relation to the calling and holding of meetings of Holders of a single Series and the passing of resolutions by Holders of a single Series; and



- (2) references in these rules to Holders or Notes are to be construed as references to the Holders or Notes of the Series to which the Meeting or resolution relates.
- (e) For the purposes of applying these rules to the holding of a Meeting, the transaction of any business at a Meeting or the passing of any resolution under rule 11:
 - (1) a Note is taken to held by the Record Date Holder of the Note (or, in the case joint holder, the person whose name appears first in the Register as the Holder); and
 - (2) Notes of which the Issuer or any of its Related Bodies Corporate is the Record Date Holder are to be disregarded.
- (f) The non-receipt of any notice under these rules by, or a failure to give such a notice to, any Holder does not invalidate any act, matter or thing done or resolution passed under these rules if the non-receipt or failure occurred by accident or error or if the Holder attends the Meeting and does not object to the holding of the Meeting at the beginning of the Meeting (where the notice relates to a Meeting) or signs a document to pass the relevant resolution (where the notice relates to the passing of a resolution without holding a Meeting).

2 Calling Meetings

- (a) The Issuer or the Registrar may, whenever it thinks fit, call and arrange to hold a Meeting.
- (b) The Issuer must, or must arrange for the Registrar to, call and arrange to hold a Meeting if requested in writing to do so by Holders of Notes representing 10% or more of the outstanding principal amount of all Notes. A Meeting called by the Issuer or Registrar under this rule 2(b) must be called within 14 days of receipt of the Holders' request and on the minimum period of notice permitted under rule 3 (unless otherwise requested by the requisitioning Holders), failing which the requisitioning Holders may together call and arrange to hold the Meeting.
- (c) A Meeting called under this rule 2 must be held in Sydney, New South Wales, or in such other place as may be agreed between the Issuer and the Registrar and, in the case of a Meeting called under rule 2(b), approved by the requisitioning Holders.
- (d) A Meeting may be called and arranged to be held only as provided by this rule 2.
- (e) The Issuer may change the venue for, postpone or cancel a Meeting unless the meeting is called and arranged to be held by the Registrar or Holders or on the requisition of Holders.

3 Notice of Meetings

- (a) Subject to the Conditions and to any shorter period of notice agreed to in writing by each Holder, at least 21 days' notice (exclusive of the day on which the notice is given and on which the Meeting is held) of a Meeting must be given in the manner authorised by the Conditions to:



- (1) each person who is at the date of the notice a Holder;
 - (2) unless it is the convenor of the Meeting, the Issuer; and
 - (3) unless it is the convenor of the Meeting, the Registrar.
- (b) A notice of a Meeting must specify the date, time and place of the Meeting and state:
- (1) the general nature of the business to be transacted at the Meeting;
 - (2) that a Holder may appoint a proxy to represent it at the Meeting in accordance with rule 10 not later than 48 hours before the time fixed for the Meeting; and
 - (3) the terms of any Extraordinary Resolution to be proposed at the Meeting.

4 Admission to Meetings

- (a) The chairperson of a Meeting may refuse admission to, or require to leave and remain out of the meeting, any person who is not:
- (b) a Holder or a Proxy; or
- (c) a representative of the Issuer or the Registrar.

5 Quorum at Meetings

- (a) No business may be transacted at any Meeting, except the election of a chairperson and the adjournment of the meeting, unless a quorum of Holders is present when the meeting proceeds to that business.
- (b) A quorum for the transacting of any business at a Meeting consists of 1 or more Holders present at the Meeting that are the Holders of Notes representing a proportion of the outstanding principal amount of all Notes at least equal to the proportion specified in the table below in relation to the business to be transacted and the nature of the Meeting:

Business to be transacted	Minimum proportion at any Meeting other than one previously adjourned due to lack of a quorum	Minimum proportion at any Meeting previously adjourned due to lack of a quorum
Any Extraordinary Resolution for which a special quorum is required under rule 5(c)	66.6%	33.33%
Any other Extraordinary Resolution	50%	No minimum proportion
Any other business	10%	No minimum proportion



- (c) A special quorum is required for the passing of any Extraordinary Resolution which:
 - (1) approves the alteration of the amount or currency of any payment due under or in relation to the Notes or the Guarantee, the method of calculating such a payment or the date on which it is due, other than a change to the amount of or method of calculating a payment which does not and could not result in a reduction in the amount of the payment;
 - (2) approves the exchange of the Notes or the Guarantee for obligations of any other person, the substitution of another person as the Issuer of the Notes or as a Guarantor or the release of any person from liability in relation to the Notes or the Guarantee;
 - (3) approves a change to the quorum requirements of this rule 5 or to the majority required to pass an Extraordinary Resolution; or
 - (4) confers on any person or persons the authority to exercise the powers of the Holders to give an approval referred to in rule 5(c)(1) to (3).
- (d) If a quorum is not present within 30 minutes after the time appointed for a Meeting, the Meeting may complete any business for which a quorum is present and then:
 - (1) where the meeting was convened by the Registrar or by or upon the requisition of Holders, the Meeting must be dissolved; or
 - (2) in any other case the Meeting stands adjourned to such day, and at such time and place, as the chairperson determines.

6 Chairperson of Meetings

- (a) The person nominated in writing by the Issuer will preside as chairperson at each Meeting unless rule 6(b) says otherwise.
- (b) If at a Meeting:
 - (1) there is no person that has been nominated by the Issuer to preside as chairperson;
 - (2) the nominated chairperson is not present within 30 minutes after the time appointed for the meeting; or
 - (3) the nominated chairperson is present within that time but is not willing to act as chairperson of the meeting,
 - (4) then the Holders present may elect as chairperson of the meeting a Holder or Proxy who is present and willing to act, failing which the Meeting will be dissolved.

7 Conduct of Meetings

- (a) The chairperson of a Meeting is responsible for the general conduct of the meeting and for the procedures to be adopted at the meeting and may require the adoption of any rules or procedures which are in his or her opinion necessary or desirable for the proper and orderly conduct of the Meeting.



- (b) The chairperson of a Meeting may at any time he or she considers it necessary or desirable for the proper and orderly conduct of the meeting terminate debate or discussion on any matter being considered by the Meeting and put the matter to a vote of the Holders present.
- (c) The chairperson of a Meeting may refuse to allow any amendment to be moved to a resolution of which notice has been given under rule 3(b).
- (d) The chairperson of a Meeting may at any time during the course of the Meeting adjourn the Meeting or any matter being considered or remaining to be considered by the Meeting to an adjourned Meeting, but may not do so without the approval of the Holders present if the Meeting has been called by or on the requisition of Holders.
- (e) No business may be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
- (f) The Issuer must give at least 5 days' notice to the Holders of the date, time and place of any adjourned Meeting where the adjournment is due to lack of a quorum. It is not otherwise necessary to give notice of an adjournment or of the business to be transacted at an adjourned Meeting.
- (g) Where a Meeting is adjourned, the Issuer may change the venue of, postpone or cancel the adjourned Meeting unless the meeting was called and arranged to be held by or on the requisition of the Holders.
- (h) The convenor or chairperson of a Meeting may permit the Meeting to be held by the contemporaneous linking together by telephone or other electronic means of persons entitled to be present at the Meeting provided that the Holders, the Issuer and the Registrar all have a reasonable opportunity to participate in this way and dial-in or other relevant details are notified to such persons not less than 48 hours before the start of the Meeting. These rules apply, so far as they can and with such changes as are necessary, to Meetings held in this way.

8 Decisions at Meetings

- (a) Except where the Conditions require an Extraordinary Resolution, questions arising at a Meeting are to be decided by a majority of votes cast by the Holders present at the meeting and any such decision is for all purposes a decision of all the Holders.
- (b) In the case of an equality of votes upon any proposed resolution the chairperson of the meeting, in addition to his or her deliberative vote, has a casting vote.
- (c) A resolution put to the vote of a Meeting must be decided on a show of hands unless a poll is demanded before the vote is taken or before or immediately after the declaration of the result of the show of hands:
 - (1) by the chairperson of the meeting;
 - (2) by the Issuer; or
 - (3) by a Holder or Holders present at the meeting and representing at least 5% of the total voting rights of all the Holders having the right to vote on the resolution on a poll.
- (d) A demand for a poll does not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.



- (e) Unless a poll is duly demanded, a declaration by the chairperson of a Meeting that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (f) If a poll is duly demanded at a Meeting, it will be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson of the Meeting directs, and the result of the poll will be the resolution of the Meeting at which the poll was demanded.
- (g) A poll cannot be demanded at a Meeting on the election of a chairperson of the meeting or the adjournment of a Meeting.
- (h) The demand for a poll may be withdrawn.

9 Voting rights

- (a) Subject to the Conditions, at a Meeting:
 - (1) on a show of hands, every Holder present has 1 vote; and
 - (2) on a poll, every Holder present has 1 vote for each Note held by the Holder.
- (b) Where a person present at a Meeting represents personally or as Proxy more than 1 Holder:
 - (1) on a show of hands the person is entitled to 1 vote only;
 - (2) that vote will be taken as having been cast for all the Holders the person represents; and
 - (3) the person must not exercise that vote in a way which would contravene any directions given to the person in any instrument appointing the person as Proxy.
- (c) An objection to the qualification of a person to vote at a Meeting:
 - (1) must be raised before or at the meeting at which the vote objected to is given or tendered; and
 - (2) must be referred to the chairperson of the meeting, whose decision is final.
- (d) A vote not disallowed by the chairperson of a meeting under rule 9(c) is valid for all purposes.

10 Representation at Meetings

- (a) Each Holder entitled to be present and vote at a meeting of Holders may be present and vote in person, if the Holder is a natural person, or by proxy appointed in accordance with rule 10(b) not less than 48 hours before the Meeting.
- (b) A Holder may only appoint a proxy in writing in the form available from the Registrar (or, if no such form is available, in any usual or common form) executed by the Holder and delivered to the Registrar together with such



- evidence as the Registrar requires to prove the authority of the person or persons executing it.
- (c) Unless otherwise provided in the appointment of a Proxy, an appointment will be taken to confer authority:
- (1) to do at or in relation to the Meeting anything that the Holder would be entitled to do other than appoint a proxy; and
 - (2) to do at or in relation to any re-scheduled or adjourned meeting anything the Proxy would have been able to do at or in relation to the Meeting as originally scheduled.
- (d) The chairperson of a Meeting may require any person purporting to act as a Proxy to establish to the satisfaction of the chairperson that the person has been validly appointed as a Proxy and is the person named in the relevant appointment, failing which the person may be excluded from attending or voting at the Meeting.
- (e) A Proxy's appointment is valid for the purposes of any Meeting despite the revocation by law or otherwise of the appointment, or of the authority under which the instrument of appointment was executed, if no notice in writing of such event or circumstance has been given to the Registrar by the time by which proxies for the Meeting are required to be appointed under rule 10(a).
- (f) A Proxy's appointment is not revoked by the appointer attending and taking part in the Meeting but, if the appointer votes on any resolution, the Proxy is not entitled to vote, and must not vote, as the appointer's Proxy on the resolution.

11 Passing resolutions in writing

- (a) An Ordinary Resolution or an Extraordinary Resolution is passed by the Holders without holding a Meeting if:
- (1) notice of the proposed resolution of Holders and of the Record Date in relation to the resolution is given to the Holders and, unless it is the person proposing the resolution, the Issuer and the Registrar;
 - (2) the Record Date specified falls not less than 1 Business Day after the date notice has been given as required by rule 11(a)(1) (**Notification Date**) and not more than 5 Business Days after notice has been given to any of the persons to whom notice is required to be given under that rule; and
 - (3) within one month after the Notification Date, the Registrar has received evidence satisfactory to it that Holders representing more than 50%, in the case of an Ordinary Resolution, or 75%, in the case of an Extraordinary Resolution, of the aggregate outstanding principal amount of the Notes as at the Record Time on the Record Date have executed a document containing a statement to the effect that the persons signing the document are in favour of the resolution or confirmed their agreement to the resolution by way of electronic communications through a Clearing System.
- (b) A resolution passed under rule 11(a) is passed on the date on which the Registrar receives evidence satisfactory to it of the execution of the document or other confirmation of agreement by the last Holder evidence of whose execution or agreement is required to be received by the Registrar to cause the resolution to be passed.



- (c) Several documents in like form each sent to or executed by one or more Holders are taken to be the one document for the purposes of this rule 11.

12 Record and notice of resolutions

- (a) The Issuer must keep, or cause the Registrar to keep, minutes of every Meeting and of every resolution passed under rule 11.
- (b) Minutes kept under rule 12(a) and signed by the chairperson of the Meeting or of the next succeeding Meeting or, in the case of a resolution under rule 11, by an authorised representative of the Issuer or Registrar (as the case may be), are conclusive evidence that the Meeting has been properly convened and held (where they relate to a Meeting) and that the resolutions recorded in them have been properly passed unless the contrary is proved.
- (c) The Issuer must give notice to the Holders of the result of the passing of a resolution or of a resolution failing to pass within 14 days of such result being known but failure to do so will not invalidate the resolution.

13 Notes of more than one Series

- (a) Meetings of the Holders of any 2 or more Series may be called and held, and resolutions of the Holders of any 2 or more of those Series may be passed, as if all the Notes comprised a single Series, so long as the business of the Meeting or the subject matter of the resolution do not give rise to a conflict of interest between the Holders of the different Series.
- (b) The Issuer may rely on, and the Holders and the Registrar are bound by, a legal opinion from a law firm of recognised standing in the Commonwealth of Australia to the effect that the business of a Meeting or the subject matter of a resolution does not give rise to a conflict of interest for the purposes of rule 13(a).
- (c) A decision of a Meeting, or a resolution passed without a Meeting, of the Holders of 2 or more Series under rule 13(a) constitutes for all purposes a decision of a Meeting, or a resolution passed without a Meeting, of each of the relevant Series.



HERBERT
SMITH
FREEHILLS

Attachment 3

Form of Global Certificate



(Form of document only)

Form of Global Certificate

THE NOTES REPRESENTED BY THIS CERTIFICATE AND THE GUARANTEE REFERRED TO IN THE TERMS AND CONDITIONS OF THE NOTES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE '**SECURITIES ACT**') OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, SUBJECT TO LIMITED EXCEPTIONS. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY DAYS FROM THE DATE OF COMPLETION OF THE DISTRIBUTION OF THE NOTES.

Common Code: []

ISIN: []

Virgin Australia Holdings Limited (ABN 54 100 686 226)

[●] [●]% [] Notes due [●]

The Notes in respect of which this Global Certificate is issued form part of the series designated as specified in the title (together with any further tranches of Notes which may be issued pursuant to the Conditions (as defined below), the '**Notes**') of **Virgin Australia Holdings Limited** (the '**Issuer**').

The Issuer hereby certifies that [●] is, at the date hereof, entered in the register of Holders as the Holder of Notes in the principal amount of

[●]

([insert amount in words])

or such other amount as is shown on the register of Holders as being represented by this Global Certificate and is duly endorsed (for information purposes only) in the third column of Schedule A to this Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Holders as Holder of the Notes in respect of which this Global Certificate is issued, such amount or amounts as shall become due and payable from time to time in respect of such Notes and otherwise to comply with the Conditions referred to below.

The Notes are constituted by a deed poll dated on or about [●] 2018 (the '**Deed Poll**') executed by the Issuer and are subject to the Deed Poll and the terms and conditions (the '**Conditions**') set out in Attachment A to the Deed Poll, subject to the terms of this Global Certificate. Terms defined in the Deed Poll or the Conditions have the same meaning when used herein. The Notes are guaranteed under the deed poll of guarantee



dated on or about [●] 2018 (the '**Deed Poll of Guarantee**'), executed in favour of holders by each Original Guarantor (defined therein).

This Global Certificate is evidence of entitlement only.

Title to the Notes passes only on due registration of Holders and only the duly registered Holder is entitled to payments on Notes in respect of which this Global Certificate is issued.

The right of such Holder and of any other person claiming through them are, for so long as the Notes are held by or on behalf of a clearing system described below, subject to the rules and procedures of such clearing system.

Exchange

Accountholders of Clearstream, Luxembourg and Euroclear ("**Clearing Systems**") who have Notes evidenced by this Global Certificate and held on behalf of such Clearing System credited to their accounts with such Clearing System ("**beneficial owners**") will be entitled in the circumstances described below to have title to the Notes registered in their names if (1) the Issuer has been notified that the Clearing Systems have been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in either case, no alternative clearing system is available or (2) there shall have occurred and be continuing an Event of Default.

On or after the Exchange Date, the Issuer will on application by or on behalf of a Clearing System acting on behalf of a beneficial owner of Notes evidenced by this Global Certificate (subject to the presentation of the Global Certificate for annotation and to the Conditions) register, or procure the registration of, a transfer of those Notes into the name of that beneficial owner and, if required in accordance with any applicable legal or stock exchange requirements or if it otherwise determines that such certificates should be issued, deliver, or procure the delivery of, a certificate in respect of those Notes to the address entered in the register of that beneficial owner. Any such certificate will be sent by pre-paid ordinary post and at the risk of the beneficial owner.

For the purposes only of enforcing this entitlement, each beneficial owner of a Note shall (upon proof of entitlement satisfactory to the Issuer or its agents) be deemed to be Holder of the Note.

Any certificate or other document issued by a Clearing System as to the nominal amount of such Notes standing to the account of any person in that Clearing System shall be conclusive as to that fact as against the Issuer, the Original Guarantors (as defined in the Deed Poll of Guarantee) and the Holders for all purposes save in the case of manifest error.

'**Exchange Date**' means a day falling not less than 60 days after that on which the application requiring exchange is made and on which the banks are open for business in the city in which the specified office of the Registrar is located.

The Notes represented by this Global Certificate are not transferable except as specified above.



The Conditions are modified as set out under “Exchange” above and as follows in so far as they apply to the Notes represented by this Global Certificate as issued.

The statements set out in the legend above are an integral part of the Note or Notes in respect of which this Global Certificate is issued and by acceptance hereof each Holder or beneficial owner of the Notes evidenced by this Global Certificate or any owner of an interest in such Notes agrees to be subject to and bound by the terms of such legend.

Meetings

Prior to an Exchange Date occurring, beneficial owners (or the representative of any such person) on confirmation of entitlement and proof of his identity may attend and speak (but not vote) at any meeting of Holders.

[Redemption at Option of the Holders

The Holders’ put option in Condition [6.6] may be exercised by the Holder of the Notes represented by the Global Certificate giving notice to the [Paying Agent] of the principal amount of Notes in respect of which the option is exercised and presenting the Global Certificate for endorsement within the time limits specified in such Conditions and the principal amount of the Notes will be reduced in the Register accordingly.]

Payments

Payments of principal in respect of Notes represented by this Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the Notes, surrender of this Global Certificate to or to the order of the [Paying Agent] or such other Agent as shall have been notified to the Holder of the Notes represented by this Global Certificate for such purpose.

Notices

So long as Notes are represented by this Global Certificate and this Global Certificate is held on behalf of a Clearing System, notices to the holders of such Notes may be given by delivery of the relevant notice to the relevant Clearing System for communication by it to entitled accountholders in substitution for notification, as required by the Conditions.

This Global Certificate shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

This Global Certificate is governed by, and shall be construed in accordance with, the laws of New South Wales.



In Witness whereof the Issuer has executed this Global Certificate by its duly authorised attorneys appointed under power of attorney executed as a deed in accordance with section 127 of the Corporations Act

Issuer

Signed for
Virgin Australia Holdings Limited
by its attorney

sign here ► _____
Attorney

print name _____

in the presence of

sign here ► _____
Witness

print name _____

Certificate of Authentication

Certified that the above-named Holder is at the date hereof entered in the register of Holders as Holder of the above-mentioned principal amount of Notes.

Signed for
[•]
by its authorised signatory

sign here ► _____
Authorised Signatory

print name _____

in the presence of

sign here ► _____
Witness

print name _____