



Update to creditors

Virgin Australia Holdings Limited ACN 100 686 226
and subsidiaries listed in Appendix A
(all Administrators Appointed)

1 Introduction and summary

The Administrators of the Virgin Australia Group of companies, set out in Appendix A, are cognisant of **creditors desire for further clarity** regarding the Administrators' binding agreement to sell Virgin Australia Business to Bain Capital LLP (**Bain Capital**) as a going concern, on 26 June 2020 (**Sale to BC**). Creditors want to understand the **quantum and timing** of financial outcomes/returns to them, as well as **certainty of transaction** completion given the re-emergence of travel restrictions in Victoria and other key Virgin Australia ports.

We are pleased to announce the following details regarding the Sale to BC:

1. Transaction terms **are not impacted** by the re-emergence of COVID-19 travel restrictions;
2. Bain Capital adopted trading/operating risk (of losses) and provided funding **from 1 July 2020**; and
3. Bain Capital provided a substantial **financial guarantee** to secure transaction certainty.

The Sale to BC also provides for:

1. **Full payment and adoption** of all employee entitlements;
2. **Honouring of prepaid customer flights**; and
3. A substantially **higher (and material) and expedited return** to unsecured creditors than would be achieved if the airline had not been sold and the Group was liquidated.

We are **not in a position** to provide full details of the transaction or a comprehensive assessment of the returns to creditors emanating from the Sale to BC, **at this time**. These details will be provided to creditors our second report issued in accordance with section 75-225 of the Insolvency Practice Rules (Corporations) (**Second Report**) on 25 August 2020.

We continue to work closely with Virgin Australia's management and Bain Capital as the airline continues to trade through this unprecedented COVID-19 environment and implement Virgin Australia's operational restructuring plan. Outcomes of this process, including negotiations with secured and aircraft financiers will impact the estimated returns to ordinary unsecured creditors.

This brief update, is set out under the following headings:

1. Updated timetable and creditor requirements;
2. Sale to BC, certainty and completion alternatives.

2 Updated timetable and creditor requirements

2.1 Appointment and sale of business

We, Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes, were appointed in April 2020 as Joint and Several Administrators (**Voluntary Administrators**) to the entities listed in **Appendix A** report pursuant to provisions of Section 436A of the Corporations Act 2001 (Cth) (**Act**).

Our appointment as Voluntary Administrators was ratified by creditors at the concurrent first meeting of creditors held on 30 April 2020.

We were also appointed as Joint and Several Administrators on 3 August 2020 to two additional subsidiaries, VAH Newco No. 2 Pty Ltd (Administrators Appointed) and VB Investco Pty Ltd (Administrators Appointed). Under the orders made by the Federal Court of Australia (**Court**) we were not required to hold the usual first meetings of creditors for these entities.

The entities subject to voluntary administration will be referred to as the **Virgin Group, Group or Companies**.

In parallel with working with Virgin Group management to refine its turnaround/business plan to accelerate the transformation of the Virgin Group business, utilising the legal framework governing voluntary administrations, we commenced a comprehensive sale and recapitalisation campaign on 21 April 2020. This business transformation plan, which underpinned the sale campaign, is referred to as the Virgin Australia 2.0 plan. The plan was designed to rapidly remove complexity in the business (including within fleet and routes) and focus on its core domestic business to drive profitability and sustainability of the Group, while maintaining a comprehensive service offering and optionality to grow (including internationally and regionally).

Interest in acquiring the Group was very strong, creating competitive tension in the process. In line with the sale timetable communicated to interested parties at the commencement of the process, we entered a binding agreement to sell the Virgin Group business to Bain Capital on 26 June 2020. This is discussed further in section 2.3.

2.2 Further extension of the convening period

Following consultation with the appointed creditors Committee of Inspection (**COI**), on Friday 31 July 2020 we applied to the Federal Court of Australia (**Court**) and obtained a further extension of the convening period from 18 August 2020 to 31 August 2020. The extension will provide a greater level of certainty regarding returns to creditors and assessment of the DOCA proposals to be provided in our Second Report. This extension was also required by Bain Capital us to allow negotiations to continue, particularly with secured financiers and lessors, and key operating counterparties in respect of future arrangements.

On 11 August 2020 the Court granted an extension of the period to convene the second meeting of creditors to Monday 31 August 2020.

We would like to take this opportunity to thank the representatives of the two primary creditor representative groups being the COI and the Noteholder Consultative Committee (**NCC**) for the consultative roles they have and continue to play on those committees (on behalf of the broader creditor group). The role of these committees has been instrumental to getting to where we are in sale and recapitalisation process.

2.3 Updated timetable and next steps

The updated timetable of next key steps in the process is set out below.

Date	Description
Thursday 20 August 2020	Creditors to register in the Halo platform to be able to vote at the Second Meeting
Tuesday 25 August 2020	Second Report issued
Friday 28 August 2020	Deadline for creditors to submit Proof of Debts (claims) in the Halo platform for voting purposes at the second meeting of creditors
Friday 4 September 2020	Second Meeting of creditors to be held by the Voluntary Administrators

2.4 Requirements of creditors

Like with most things, the voluntary administration process is not without its COVID-19 induced logistical challenges. Given these and the volume of creditors, we are using a digital creditors' claims management platform called Halo. We have sought and obtained Orders from the Court on 11 August 2020 (Appendix B) as to the use of this Halo platform in the Virgin Group administration and these can be summarised below:

- Creditors must lodge claims, proxies and powers of attorney electronically via the Halo platform;
- Any creditor who intends to vote at the second meeting must register with the Halo platform (excluding USD Noteholders) by Thursday, 20 August 2020;
- The Administrators be permitted to adjudicate on claims for voting purposes at the second meeting based on information submitted by creditors via the Halo platform;
- The Administrators be permitted to use the Halo platform for communications to creditors in respect of the conduct of the Administration and creditor claims (includes USD Noteholders).

Further, a key requirement of creditors, set out in the Court orders of 12 August 2020 (Appendix C) require creditors to:

- lodge their claim in the Halo platform by 5:00pm on Friday 28 August 2020.

A step-by-step guide on voting will be provided with the Second Report.

3 Sale to BC, certainty and completion alternatives

3.1 Terms of sale to BC

We entered a binding agreement to sell the Virgin Group business to Bain Capital on 26 June 2020. We are currently working with Bain Capital and the Virgin Group to complete the terms of the sale.

Due to confidentiality terms in the sale agreement and ongoing operational restructuring negotiations we are unable to disclose comprehensive detail of the terms of the Sale to BC at this time. This is clearly important information for creditors to understand and it will be provided in the **Second Report**.

However, key components of the agreed sale are:

1. **Full payment and adoption** of all employee entitlements;
2. **Honouring of prepaid customer flights** (flight credits); and
3. **A substantially higher (and material) and expedited return** than would be achieved if the airline had not been sold and the Group was liquidated.

In addition:

1. Returns to ordinary unsecured creditors will be funded by cash contributed upon completion of the sale.
2. Bain provided funding of \$125m to the Administrators continue to operate the business from 1 July 2020 to completion. Further funding can be obtained as required.
3. Timing of completion (and distributions) will be expedited and cash available to ordinary unsecured creditors increased, in the event, that DOCA's are approved by creditors, to complete the transaction.

Returns to secured financiers and lessors under the sale are still uncertain. They will be dependent on the outcomes of ongoing bi-lateral negotiations with Bain Capital. These primarily centre around the go forward composition of the Virgin Australia fleet of aircraft and key operational relationships.

3.2 Certainty of the sale

We were fortunate that the end of our sale and recapitalisation process timeline coincided with the relaxation of COVID 19 travel restrictions (opening of state borders) in mid-June. The ramp up of operations at that time (along with government support to the airline industry) gave the final bidders confidence when submitting their final bids. This assisted in creating competitive tension in the sale process which allowed us to negotiate binding agreement terms that provided transaction certainty.

Key elements of this transaction certainty include:

1. Transaction terms **are not impacted** by the re-emergence of COVID-19 travel restrictions.
 - Re-emergence of travel restrictions, which slow the ramp up of the airline is a risk that Bain Capital adopted and does not constitute an event that causes any revision of transaction terms.
2. Bain Capital **adopted trading/operating risk** (of losses) and provided funding **from 1 July 2020**.
 - While we remain in control of the Virgin Group and its trading, the terms of the sale agreement are such that Bain Capital adopted trading risk and profits, or losses earned by the business from 1 July 2020.
 - Bain Capital provided \$125m of funding to the Virgin Group to fund operations of the business during the voluntary administration period until completion. Further funding is available if required.
3. Bain Capital provided a substantial **financial guarantee** to secure transaction certainty.

- In the event that Bain Capital failed to complete on the transaction they would require under the terms of the guarantee a substantial sum of monies to enable amongst other things coverage for payment of all employee entitlements.
- We are confident that the size of the agreed guarantee provides strong impetus for Bain Capital to complete on the agreed transaction, irrespective of operational challenges caused by COVID-19.

3.3 Sale completion alternatives

The sale will be completed via an Asset Sale Agreement (ASA) or alternatively by way of Deeds of Company Arrangements (DOCA's) to be proposed by Bain Capital. Bain Capital's DOCA proposals will be considered and voted upon by creditors at the second meeting of the Virgin Group.

The merits of the DOCA's to be proposed by Bain Capital and an assessment of the two completion routes will be set out in our Second Report pursuant to *s75-225 of the Insolvency Practice Rules (Corporations) 2016* along with our formal recommendation to creditors. However, we consider that the completion of the Sale to BC by way of DOCA's has some key advantages over an ASA. However, both routes to completion achieve the objectives of Part 5.3A of the *Corporations Act 2001 (Cth)* of preserving the business as a going concern and ensuring a second competitive airline in Australia.

Advantages of completing the Sale to BC by way of DOCA's include:

1. Expedited distributions to ordinary unsecured creditors;
2. Higher returns to ordinary unsecured creditors than under an ASA; and
3. More certainty and efficiency benefits as it removes the need to transfer / re-obtain key operating assets including the Airline Operating Certificates (AOC's) and employment agreements.

We trust creditors find this report informative and useful. In the event you have any queries regarding the contents of this report, or the administration in general, please do not hesitate to contact us at virginadmin@deloitte.com.au.

Yours faithfully



Vaughan Strawbridge
Joint and Several Administrator

Appendix A – Entities under voluntary administration

No.	Name	Date of appointment of voluntary administrators	ACN
1	Virgin Australia Holdings Ltd	20-Apr-20	ACN 100 686 226
2	Virgin Australia Airlines Pty Ltd	20-Apr-20	ACN 090 670 965
3	Virgin Australia International Airlines Pty Ltd	20-Apr-20	ACN 125 580 823
4	Virgin Australia Regional Airlines Pty Ltd	20-Apr-20	ACN 008 997 662
5	Tiger Airways Australia Pty Limited	20-Apr-20	ACN 124 369 008
6	737 2012 No. 2 Pty Ltd	20-Apr-20	ACN 154 225 064
7	737 2012 No.1 Pty. Ltd.	20-Apr-20	ACN 154 201 859
8	A.C.N. 098 904 262 Pty Ltd	20-Apr-20	ACN 098 904 262
9	Short Haul 2014 No. 1 Pty Ltd	20-Apr-20	ACN 600 809 612
10	Short Haul 2014 No. 2 Pty Ltd	20-Apr-20	ACN 600 878 199
11	Short Haul 2016 No. 1 Pty Ltd	20-Apr-20	ACN 612 766 328
12	Short Haul 2016 No. 2 Pty Ltd	20-Apr-20	ACN 612 796 077
13	Short Haul 2017 No. 1 Pty Ltd	20-Apr-20	ACN 617 644 390
14	Short Haul 2017 No. 2 Pty Ltd	20-Apr-20	ACN 617 644 443
15	Short Haul 2017 No. 3 Pty. Ltd.	20-Apr-20	ACN 622 014 813
16	Short Haul 2018 No. 1 Pty. Ltd.	20-Apr-20	ACN 622 014 831
17	Tiger International Number 1 Pty Ltd	28-Apr-20	ACN 606 131 944
18	VA Borrower 2019 No. 1 Pty Ltd	20-Apr-20	ACN 633 241 059
19	VA Borrower 2019 No. 2 Pty Ltd	20-Apr-20	ACN 637 371 343
20	VA Hold Co Pty Ltd	20-Apr-20	ACN 165 507 157
21	VA Lease Co Pty Ltd	20-Apr-20	ACN 165 507 291
22	VA Regional Leaseco Pty Ltd	20-Apr-20	ACN 127 491 605
23	VAH Newco No.1 Pty Ltd	20-Apr-20	ACN 160 881 345
24	VB 800 2009 Pty Ltd	20-Apr-20	ACN 135 488 934
25	VB Leaseco No 2 Pty Ltd	20-Apr-20	ACN 142 533 319
26	VB Leaseco Pty Ltd	20-Apr-20	ACN 134 268 741
27	VB LH 2008 No. 1 Pty Ltd	20-Apr-20	ACN 134 280 354

No.	Name	Date of appointment of voluntary administrators	ACN
28	VB LH 2008 No. 2 Pty Ltd	20-Apr-20	ACN 134 288 805
29	VB PDP 2010-11 Pty Ltd	20-Apr-20	ACN 140 818 266
30	VB Ventures Pty Ltd	20-Apr-20	ACN 125 139 004
31	VBNC5 Pty Ltd	20-Apr-20	ACN 119 691 502
32	Virgin Australia 2013-1 Issuer Co Pty Ltd	20-Apr-20	ACN 165 507 326
33	Virgin Australia Airlines (SE Asia) Pty Ltd	20-Apr-20	ACN 097 892 389
34	Virgin Australia Airlines Holdings Pty Ltd	20-Apr-20	ACN 093 924 675
35	Virgin Australia Cargo Pty Ltd	20-Apr-20	ACN 600 667 838
36	Virgin Australia Holidays Pty Ltd	20-Apr-20	ACN 118 552 159
37	Virgin Australia International Holdings Pty Ltd	20-Apr-20	ACN 155 860 021
38	Virgin Australia International Operations Pty Ltd	20-Apr-20	ACN 155 859 608
39	Virgin Tech Pty Ltd	20-Apr-20	ACN 101 808 879
40	VB Investco Pty Ltd	3-Aug-20	ACN 101 961 095
41	VAH Newco No.2 Pty Ltd	3-Aug-20	ACN 160 881 354

Appendix B – Court Orders dated 11 August 2020



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD464/2020

**IN THE MATTER OF VIRGIN AUSTRALIA HOLDINGS LTD
(ADMINISTRATORS APPOINTED) ACN 100 686 226 & ORS**

**VAUGHAN STRAWBRIDGE, SALVATORE ALGERI, JOHN GREIG AND
RICHARD HUGHES, IN THEIR CAPACITY AS JOINT AND SEVERAL
VOLUNTARY ADMINISTRATORS OF THE SECOND TO THIRTY-NINTH
PLAINTIFFS** and others named in the schedule
Plaintiff

ORDER

JUDGE: JUSTICE MIDDLETON

DATE OF ORDER: 11 August 2020

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

1. The Interlocutory Process filed on 29 July 2020 be made returnable at 10.15am on 30 July 2020.
2. Pursuant to section 90-15 of the Insolvency Practice Schedule (Corporations) (IPSC), being Schedule 2 to the *Corporations Act 2001* (Cth) (the '**Corporations Act**'), subject to order 5, the First Plaintiffs (including in their capacity as proposed joint and several administrators of each of VAH Newco No 2 Pty Ltd (in liquidation) ('**VAH Newco 2**') and VB Investco Pty Ltd (in liquidation) ('**VB Investco**')) (the '**Administrators**'), are justified in requiring that any person who intends to vote at the second meetings of creditors of the Second to Fortieth Plaintiffs and, if applicable, VAH Newco 2 and VB Investco (together, the '**Virgin Companies**') convened pursuant to section 439A of the Corporations Act ('**Second Meetings**'), must register with the Deloitte Halo platform described in the Orr Affidavit ('**Halo Platform**') by no later than 20 August 2020.



3. Pursuant to section 90-15 of the IPSC, other than in respect of the creditors referred to order 5, the Administrators are justified in:
 - (a) ascertaining who is a creditor of any of the Virgin Companies for the purposes of section 75- 85(1) of the *Insolvency Practice Rules (Corporations) 2016* (Cth) ('IPR') (or who may otherwise be entitled to vote by reason of section 75-86 of the IPR); and
 - (b) admitting in whole or in part a person's debt or claim for the purposes of section 75- 85(3)(a) of the IPR,
based only on the books and records of the Virgin Companies and information provided by any person on, or otherwise entered in, the Halo Platform (and are otherwise entitled to disregard any other debt or claim).
4. Pursuant to section 90-15 of the IPSC, subject to order 5, the IPR operate in relation to the Virgin Companies such that the requirements of a person to:
 - (a) lodge particulars of a debt or claim for the purposes of section 75-85(3)(b) of the IPR;
 - (b) provide an instrument of appointment of proxy pursuant to section 75-150(3) of the IPR; and
 - (c) provide an instrument evidencing the appointment of a power of attorney pursuant to section 75-155(2) of the IPR,
in order to establish an entitlement to vote at the Second Meetings may only be satisfied by a person submitting relevant information electronically using the Halo Platform.
5. Orders 2 to 4 not apply to those creditors (or the debt or claim made by or on behalf of such creditors) who are the holders of:
 - (a) those certain USD \$350,000,000 7.875% Senior Notes due on 15 October 2021 (Reg S CUSIP: Q94606AG7 & 144A CUSIP: 92765YAG2); and
 - (b) those certain USD \$425,000,000 8.125% Senior Notes due on 15 November 2024 (Reg S CUSIP: Q94606AH5 & 144A CUSIP: 92765YAH0),
(collectively, '**USD Noteholders**').



6. Pursuant to section 90-15 of the IPSC, the Administrators are justified in utilising the Halo Platform to communicate with persons, including any USD Noteholders who have registered on the Halo Platform, in respect of:
 - (a) notification and provision of information as to the conduct of the administrations of the Virgin Companies;
 - (b) any proof or particulars of debt or claim lodged on the Halo Platform, including:
 - (i) the adjudication of such proof or particulars of debts or claims for the purposes of voting at the second meetings of creditors of the Virgin Companies pursuant to section 75-100 of the IPR; and
 - (ii) requesting further evidence from a person in respect of a debt claimed pursuant to section 75-95 of the IPR.
- 6A. Material and Information concerning a creditor's debt or claim and provided by that creditor to the Administrators, is to be stored on the Halo Platform and accessible in the relevant creditor's Halo account.
- 6B. If a person claiming to be a creditor notifies the Administrators that the person disputes a decision, notice or adjudication by the Administrators about the person's claim, the Administrators must promptly provide that person with all relevant material and information used or relied upon by the Administrators in making their decision, notification or adjudication not already provided to or by the person, subject to there being no obligation to provide any confidential material or information relating to third parties.
7. The Administrators take all reasonable steps to cause notice of the Court's orders to be given, within one (1) business day of the making of the orders, to:
 - (a) creditors (including persons or entities claiming to be creditors) of each of the Virgin Companies, in the following manner:
 - (i) where the creditor is a registered user on the Halo Platform, by publishing a notice via the Halo Platform;
 - (ii) where the creditor is not a registered user on the Halo Platform but the Administrators have an email address for a creditor, by notifying each such creditor, via email, of the making of the orders and providing a link to a website where the Creditor may download the orders and the Interlocutory Process;



- (iii) where a creditor is not a registered user on the Halo Platform and the Administrators do not have an email address for a creditor but have a postal address for that creditor (or have received notification of non-delivery of a notice sent by email in accordance with paragraph (a)(ii) above), by notifying each such creditor, via post, of the making of the orders and providing a link to a website where the Creditor may download the orders and the Interlocutory Process;
 - (iv) where a Creditor is not a registered user on the Halo Platform and the Administrators do not have an email address for a creditor but have an email address for a trustee, custodian or other agent who represents or may act on behalf of that Creditor, by notifying each such trustee, custodian or other agent, via email, of the making of the orders and providing a link to a website where the trustee, custodian, other agent or Creditor may download the orders and the Interlocutory Process; and
 - (v) by placing scanned, sealed copies of the Interlocutory Process and the orders on the website maintained by the Administrators at <https://www2.deloitte.com/au/en/pages/finance/articles/virgin-australiaholdingslimited-subsiidiaries.html>; and
- (b) the Australian Securities and Investments Commission.
8. Any person who can demonstrate a sufficient interest have liberty to apply to vary or discharge any of orders 2 to 6 above, on three (3) business day's written notice to the Plaintiffs and to the Associate to Justice Middleton.
 9. The Plaintiffs have liberty to apply on one (1) business day's written notice to the Court in relation to any variation or discharge of the Court's orders.
 10. The Plaintiffs' costs of the application be treated as costs in the administrations of each of the Second to Fortieth Plaintiffs, jointly and severally.
 11. The matter be adjourned until 11.15am on Monday, 17 August 2020.
 12. These orders be entered forthwith.



Date that entry is stamped: 12 August 2020

Sia Lagos
Registrar



Schedule

No: NSD464/2020

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Plaintiff	VIRGIN AUSTRALIA HOLDINGS LTD (ADMINISTRATORS APPOINTED) ACN 100 686 226
Second Interested Person	COMMONWEALTH OF AUSTRALIA
Third Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL OPERATIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 155 859 608
Third Interested Person	BC HART AGGREGATOR, L.P.
Fourth Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED) ACN 155 860 021
Fourth Interested Person	BC HART AGGREGATOR (AUSTRALIA) PTY LTD
Fifth Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 125 580 823
Sixth Plaintiff	VIRGIN AUSTRALIA AIRLINES (SE ASIA) PTY LTD (ADMINISTRATORS APPOINTED) ACN 097 892 389
Seventh Plaintiff	VIRGIN AUSTRALIA AIRLINES HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED) ACN 093 924 675
Eighth Plaintiff	VAH NEWCO NO.1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 160 881 345
Ninth Plaintiff	TIGER AIRWAYS AUSTRALIA PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 124 369 008
Tenth Plaintiff	VIRGIN AUSTRALIA AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 090 670 965
Eleventh Plaintiff	VA BORROWER 2019 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 633 241 059
Twelfth Plaintiff	VA BORROWER 2019 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 637 371 343



Thirteenth Plaintiff	VIRGIN TECH PTY LTD (ADMINISTRATORS APPOINTED) ACN 101 808 879
Fourteenth Plaintiff	SHORT HAUL 2018 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 622 014 831
Fifteenth Plaintiff	SHORT HAUL 2017 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 617 644 390
Sixteenth Plaintiff	SHORT HAUL 2017 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 617 644 443
Seventeenth Plaintiff	SHORT HAUL 2017 NO. 3 PTY LTD (ADMINISTRATORS APPOINTED) ACN 622 014 813
Eighteenth Plaintiff	VBNC5 PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 691 502
Nineteenth Plaintiff	A.C.N. 098 904 262 PTY LTD (ADMINISTRATORS APPOINTED) ACN 098 904 262
Twentieth Plaintiff	VIRGIN AUSTRALIA REGIONAL AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 008 997 662
Twenty First Plaintiff	VIRGIN AUSTRALIA HOLIDAYS PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 552 159
Twenty Second Plaintiff	VB VENTURES PTY LTD (ADMINISTRATORS APPOINTED) ACN 125 139 004
Twenty Third Plaintiff	VIRGIN AUSTRALIA CARGO PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 667 838
Twenty Fourth Plaintiff	VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741
Twenty Fifth Plaintiff	VA HOLD CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 157
Twenty Sixth Plaintiff	VA LEASE CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 291
Twenty Seventh Plaintiff	VIRGIN AUSTRALIA 2013-1 ISSUER CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 326
Twenty Eighth Plaintiff	737 2012 NO.1 PTY. LTD (ADMINISTRATORS APPOINTED) ACN 154 201 859
Twenty Ninth Plaintiff	737 2012 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED)



ACN 154 225 064

- Thirtieth Plaintiff SHORT HAUL 2016 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 612 766 328
- Thirty First Plaintiff SHORT HAUL 2016 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 612 796 077
- Thirty Second Plaintiff SHORT HAUL 2014 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 809 612
- Thirty Third Plaintiff SHORT HAUL 2014 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 878 199
- Thirty Fourth Plaintiff VA REGIONAL LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 127 491 605
- Thirty Fifth Plaintiff VB 800 2009 PTY LTD (ADMINISTRATORS APPOINTED) ACN 135 488 934
- Thirty Sixth Plaintiff VB LEASECO NO 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 142 533 319
- Thirty Seventh Plaintiff VB LH 2008 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 280 354
- Thirty Eighth Plaintiff VB LH 2008 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 288 805
- Thirty Ninth Plaintiff VB PDP 2010-11 PTY LTD (ADMINISTRATORS APPOINTED) ACN 140 818 266
- Fortieth Plaintiff TIGER INTERNATIONAL NUMBER 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 606 131 944
- Fortieth Plaintiff TIGER INTERNATIONAL NUMBER 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 606 131 944

Appendix C – Court Orders dated 12 August 2020



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD464/2020

**IN THE MATTER OF VIRGIN AUSTRALIA HOLDINGS LTD
(ADMINISTRATORS APPOINTED) ACN 100 686 226 & ORS**

**VAUGHAN STRAWBRIDGE, SALVATORE ALGERI, JOHN GREIG AND
RICHARD HUGHES, IN THEIR CAPACITY AS JOINT AND SEVERAL
VOLUNTARY ADMINISTRATORS OF THE SECOND TO THIRTY-NINTH
PLAINTIFFS** and others named in the schedule
Plaintiff

ORDER

JUDGE: JUSTICE MIDDLETON

DATE OF ORDER: 12 August 2020

WHERE MADE: Melbourne

THE COURT DECLARES THAT:

1. The Halo Platform (as defined in the affidavit of David Michael Orr sworn 29 July 2020) is a suitable technology for the purposes of sections 5(1)(a) and 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* (Cth) (**'Coronavirus Determination'**).

THE COURT ORDERS THAT:

2. The Interlocutory Process filed on 7 August 2020 be made returnable at 2.15pm on 11 August 2020.
3. Pursuant to rule 9.05 of the Federal Court Rules 2011 (Cth), each of VAH Newco No. 2 Pty Ltd (in liquidation) (Administrators Appointed) ACN 160 881 354 (**VAH Newco 2**) and VB Investco Pty Ltd (in liquidation) (Administrators Appointed) ACN 101 961 095 (**VB Investco**) be joined to this proceeding as the Forty-First Plaintiff and the Forty-Second Plaintiff respectively.
4. The Orders made on 11 August 2020 in respect of the Interlocutory Process filed on 29 July 2020 in the proceedings be deemed to apply to the Forty-First and Forty-Second Plaintiffs in the proceedings, as if they were a party to the proceeding at the time the Orders were made.



5. Pursuant to section 90-15 of the *Insolvency Practice Schedule (Corporations)* (**IPSC**), to the extent not permitted specifically by sections 75-30, 75-35 and 75-75 of the *Insolvency Practice Rules (Corporations) 2016* (Cth) (**IPR**) and the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020* (Cth) (**Coronavirus Determination**), the First Plaintiffs in their capacity as joint and several administrators of each of VAH Newco 2 and VB Investco are justified in holding meetings of creditors during the administration of each of VAH Newco 2 and VB Investco by telephone or audio-visual conference only at the place of the First Plaintiffs' offices (without creditors of VAH Newco 2 and VB Investco being able to attend physically at that place), with such details of the arrangements for using the telephone or audio-visual conference facilities to be specified in each of the notices issued to creditors.
6. Pursuant to section 447A(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), Part 5.3A of the Corporations Act is to operate in relation to each of the Second to Fortieth Plaintiffs as if section 439A(6) provided that the period for convening the second meeting of creditors of each of the Second to Fortieth Plaintiffs, be extended (from 18 August 2020) to 31 August 2020.
7. Pursuant to section 447A(1) of the Corporations Act, Part 5.3A of the Corporations Act is to operate in relation to each of the First to Fortieth Plaintiffs and the proposed Forty First and Forty Second Plaintiffs (**Virgin Companies**) such that, notwithstanding section 439A(2) of the Corporations Act, the second meeting of the creditors of each of the Virgin Companies (**Second Meetings**) required under section 439A of the Corporations Act may be convened at any time before, or within, five (5) business days after, the end of the convening period as extended by paragraph 6 above (provided that the First Plaintiffs give notice of the meetings to eligible creditors of each of the Virgin Companies (including the persons claiming to be creditors of the Virgin Companies) at least five (5) business days before the meeting).
8. Pursuant to section 90-15 of the IPSC, the First Plaintiffs in their capacity as the joint and several administrators of each of the Virgin Companies (the **Administrators**) would be justified in permitting only those persons who have lodged particulars of a debt or claim in the administration of one or more of the Virgin Companies, in accordance with Order 4 of the Orders made 11 August 2020 in respect of the Interlocutory Process filed 29 July 2020 in the proceedings, and by no later than at 5.00pm on the fifth business day before the



Second Meetings are held (**POD Lodgement Date**), to participate and vote at the Second Meetings.

9. Pursuant to section 90-15 of the IPSC, in respect of any particulars of a debt or claim submitted by a person to the Administrators in respect of the Virgin Companies:
 - a. prior to the POD Lodgement Date, the Administrators are justified in entering the information provided by the person into the Halo Platform and registering the relevant creditor's details on the Halo Platform; and
 - b. after the expiry of the POD Lodgement Date, the Administrators are justified in disregarding any such debt or claim.
10. Pursuant to section 90-15 of the IPSC, the IPR operate in relation to the Virgin Companies such that persons (or their proxy or attorney) may not at any time after the POD Lodgement Date, without the express written consent of the Administrators, amend or replace any proof of debt lodged on the Halo Platform.
11. Order 5 of the orders made by the Court on 24 April 2020 and Order 7 of the orders made by the Court on 13 May 2020 be vacated.
12. Pursuant to section 90-15 of the IPSC, to the extent not permitted specifically by section 75-35(2)(b) of the IPR and the Coronavirus Determination, the creditors of the Virgin Companies who wish to participate or vote on resolutions at the Second Meetings (other than persons not voting by proxy or attorney), must lodge with Administrators:
 - a. a specific proxy form containing the information in section 75-35(2)(b)(i)-(iii) of the IPR; and / or
 - b. an appointment of power of attorney containing the information in section 75-35(2)(b)(i)-(iii) of the IPR,in accordance with Order 4 of the Orders made 11 August 2020 in respect of the Interlocutory Process filed 29 July 2020 in the proceedings, and by no later than at 5.00pm on the third business day before the Second Meetings are held (Proxy Lodgement Date).
13. Pursuant to section 90-15 of the IPSC, the Administrators would be justified in permitting only those persons who have lodged in the administration of one or more of the Virgin Companies a specific proxy form and / or an appointment of power of attorney, in accordance with paragraph 12 above, to participate and vote by proxy or attorney at the Second Meetings.



14. Pursuant to section 90-15 of the IPSC, the requirements of sections 75-25 and 75-35(2) of the IPR will be satisfied in relation to the Virgin Companies by the Administrators including a link to an electronic appointment of proxy or attorney form to be completed and submitted on the Halo Platform in the notice to be issued to creditors pursuant to section 75-225 of the IPR.
15. Pursuant to section 90-15 of the IPSC, in respect of any appointment of proxy or attorney forms submitted by a person to the Administrators in respect of the Virgin Companies:
 - a. prior to the Proxy Lodgement Date, the Administrators are justified in entering the proxy or attorney details provided by the person into the Halo Platform and registering the relevant creditor's details on the Halo Platform; and
 - b. after the expiry of the Proxy Lodgement Date, the Administrators are justified in disregarding any such proposed nomination of proxy or attorney.
16. Pursuant to section 90-15 of the IPSC, the IPR operate in relation to the Virgin Companies such that:
 - a. to the extent not required specifically by section 5(1)(c) of the Coronavirus Determination, all resolutions put to a vote at the Second Meetings will be decided by a poll as if requested by the person presiding at the Second Meetings pursuant to section 75-110(1) of the IPR; and
 - b. for the purposes of section 75-110(5) of the IPR, each poll is to be taken by tallying votes cast on the Halo Platform.
17. Pursuant to section 90-15 of the IPSC, the requirements of 75-30 and 75-75 of the IPR and section 5 of the Coronavirus Determination may be satisfied, in the case of the Virgin Companies, by the creation of an "event" on the Halo Platform and the Administrators holding the Second Meetings via Microsoft Teams technology.
18. Pursuant to section 90-15 of the IPSC, the Administrators would be justified in counting all votes lodged through the Halo Platform on any poll taken during the Second Meetings, regardless of whether it can be shown that those creditors (or their proxy or attorney) were present at the meeting.
19. The Administrators take all reasonable steps to cause notice of the Court's orders to be given, within one (1) business day of the making of the orders, to:
 - a. creditors (including persons or entities claiming to be creditors) of the Virgin Companies, in the following manner:



- i. where the creditor is a registered user on the Halo Platform, by publishing a notice via the Halo Platform;
 - ii. where the creditor is not a registered user on the Halo Platform but the Administrators have an email address for a creditor, by notifying each such creditor, via email, of the making of the orders and providing a link to a website where the creditor may download the orders and the Interlocutory Process;
 - iii. where a creditor is not a registered user on the Halo Platform and the Administrators do not have an email address for a creditor but have a postal address for that creditor (or have received notification of non-delivery of a notice sent by email in accordance with paragraph (a)(ii) above), by notifying each such creditor, via post, of the making of the orders and providing a link to a website where the creditor may download the orders and the Interlocutory Process;
 - iv. where a creditor is not a registered user on the Halo Platform and the Administrators do not have an email address for a creditor but have an email address for a trustee, custodian or other agent who represents or may act on behalf of that creditor, by notifying each such trustee, custodian or other agent, via email, of the making of the orders and providing a link to a website where the trustee, custodian, other agent or creditor may download the orders and the Interlocutory Process; and
 - v. by placing scanned, sealed copies of the Interlocutory Process and the orders on the website maintained by the Administrators at <https://www2.deloitte.com/au/en/pages/finance/articles/virgin-australiaholdings-limited-subidiaries.html>; and
- b. the Australian Securities and Investments Commission.
20. Any person who can demonstrate a sufficient interest have liberty to apply to vary or discharge the declaration in paragraph 1 and any orders made pursuant to paragraphs 4 to 18 above, on three (3) business day's written notice to the Plaintiffs and to the Associate to Justice Middleton.
21. The Plaintiffs have liberty to apply on one (1) business day's written notice to the Court in relation to any variation or discharge of the Court's orders.



22. The Plaintiffs' costs of the application be treated as costs in the administrations of each of the Virgin Companies, jointly and severally.
23. The hearing of the Plaintiffs' Interlocutory Process dated 7 August 2020 be adjourned until 11.15am on Monday, 17 August 2020.
24. The Court's orders be entered forthwith.

THE COURT NOTES THAT:

25. Orders 8 to 18 do not apply to those creditors (or the debt or claim made by or on behalf of such creditors) who are USD Noteholders (as defined in Order 5 of the Orders made 11 August 2020 in respect of the Plaintiffs' Interlocutory Process dated 29 July 2020).

Date that entry is stamped: 12 August 2020

Sia Lagos
Registrar



Schedule

No: NSD464/2020

Federal Court of Australia
District Registry: New South Wales
Division: General

Second Plaintiff	VIRGIN AUSTRALIA HOLDINGS LTD (ADMINISTRATORS APPOINTED) ACN 100 686 226
Second Interested Person	COMMONWEALTH OF AUSTRALIA
Third Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL OPERATIONS PTY LTD (ADMINISTRATORS APPOINTED) ACN 155 859 608
Third Interested Person	BC HART AGGREGATOR, L.P.
Fourth Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED) ACN 155 860 021
Fourth Interested Person	BC HART AGGREGATOR (AUSTRALIA) PTY LTD
Fifth Plaintiff	VIRGIN AUSTRALIA INTERNATIONAL AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 125 580 823
Sixth Plaintiff	VIRGIN AUSTRALIA AIRLINES (SE ASIA) PTY LTD (ADMINISTRATORS APPOINTED) ACN 097 892 389
Seventh Plaintiff	VIRGIN AUSTRALIA AIRLINES HOLDINGS PTY LTD (ADMINISTRATORS APPOINTED) ACN 093 924 675
Eighth Plaintiff	VAH NEWCO NO.1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 160 881 345
Ninth Plaintiff	TIGER AIRWAYS AUSTRALIA PTY LIMITED (ADMINISTRATORS APPOINTED) ACN 124 369 008
Tenth Plaintiff	VIRGIN AUSTRALIA AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 090 670 965
Eleventh Plaintiff	VA BORROWER 2019 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 633 241 059
Twelfth Plaintiff	VA BORROWER 2019 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 637 371 343



Thirteenth Plaintiff	VIRGIN TECH PTY LTD (ADMINISTRATORS APPOINTED) ACN 101 808 879
Fourteenth Plaintiff	SHORT HAUL 2018 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 622 014 831
Fifteenth Plaintiff	SHORT HAUL 2017 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 617 644 390
Sixteenth Plaintiff	SHORT HAUL 2017 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 617 644 443
Seventeenth Plaintiff	SHORT HAUL 2017 NO. 3 PTY LTD (ADMINISTRATORS APPOINTED) ACN 622 014 813
Eighteenth Plaintiff	VBNC5 PTY LTD (ADMINISTRATORS APPOINTED) ACN 119 691 502
Nineteenth Plaintiff	A.C.N. 098 904 262 PTY LTD (ADMINISTRATORS APPOINTED) ACN 098 904 262
Twentieth Plaintiff	VIRGIN AUSTRALIA REGIONAL AIRLINES PTY LTD (ADMINISTRATORS APPOINTED) ACN 008 997 662
Twenty First Plaintiff	VIRGIN AUSTRALIA HOLIDAYS PTY LTD (ADMINISTRATORS APPOINTED) ACN 118 552 159
Twenty Second Plaintiff	VB VENTURES PTY LTD (ADMINISTRATORS APPOINTED) ACN 125 139 004
Twenty Third Plaintiff	VIRGIN AUSTRALIA CARGO PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 667 838
Twenty Fourth Plaintiff	VB LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 268 741
Twenty Fifth Plaintiff	VA HOLD CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 157
Twenty Sixth Plaintiff	VA LEASE CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 291
Twenty Seventh Plaintiff	VIRGIN AUSTRALIA 2013-1 ISSUER CO PTY LTD (ADMINISTRATORS APPOINTED) ACN 165 507 326
Twenty Eighth Plaintiff	737 2012 NO.1 PTY. LTD (ADMINISTRATORS APPOINTED) ACN 154 201 859
Twenty Ninth Plaintiff	737 2012 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED)



ACN 154 225 064

- Thirtieth Plaintiff SHORT HAUL 2016 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 612 766 328
- Thirty First Plaintiff SHORT HAUL 2016 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 612 796 077
- Thirty Second Plaintiff SHORT HAUL 2014 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 809 612
- Thirty Third Plaintiff SHORT HAUL 2014 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 600 878 199
- Thirty Fourth Plaintiff VA REGIONAL LEASECO PTY LTD (ADMINISTRATORS APPOINTED) ACN 127 491 605
- Thirty Fifth Plaintiff VB 800 2009 PTY LTD (ADMINISTRATORS APPOINTED) ACN 135 488 934
- Thirty Sixth Plaintiff VB LEASECO NO 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 142 533 319
- Thirty Seventh Plaintiff VB LH 2008 NO. 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 280 354
- Thirty Eighth Plaintiff VB LH 2008 NO. 2 PTY LTD (ADMINISTRATORS APPOINTED) ACN 134 288 805
- Thirty Ninth Plaintiff VB PDP 2010-11 PTY LTD (ADMINISTRATORS APPOINTED) ACN 140 818 266
- Fortieth Plaintiff TIGER INTERNATIONAL NUMBER 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 606 131 944
- Fortieth Plaintiff TIGER INTERNATIONAL NUMBER 1 PTY LTD (ADMINISTRATORS APPOINTED) ACN 606 131 944

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