

3 September 2021

CIRCULAR TO CREDITORS

Dear Sir / Madam

Virgin Australia Administration - Project Volar Creditors' Trust Update

As previously advised, the proceeds realised as a result of the restructure of the Virgin Companies, including the purchase price paid by Bain Capital, are held in the Project Volar Creditors' Trust, pending distribution to creditors. We now provide an update on the claims adjudication and dividend process, as set out below.

Completion of Adjudication Process

We completed our adjudication of approx. 7,000 claims on the Trust on 17 August 2021 and we thank creditors for their cooperation, assistance and provision of the necessary information and documents to enable us to achieve that outcome. Pursuant to clause 7.3(f) of the Creditors' Trust Deed, and as noted to creditors in our adjudication outcome statements, creditors had 14 days from the date of adjudication to appeal our decision to court. This "appeal period" expired on 31 August 2021. We have been notified that 20 formal objections (the **Objections**) to our adjudications have been filed in the New South Wales Supreme Court. 17 of those relate to disputes in respect of aircraft leasing arrangements.

The Trustees will endeavour to have the Objections either resolved prior to any final Court hearing or dealt with by the Court as quickly and cost-effectively as possible.

The Willis Matter

Separately, on 12 April 2021, we updated creditors regarding the *Wells Fargo Trust Company operating as Willis Lease Finance Corporation ("Willis") v VB Leaseco Pty Ltd* proceedings (the **Willis Appeal**). A copy of this circular can be found here: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/finance/insolvency/virgin/deloitte-au-fas-virgin-circular-to-creditors-willis-appeal-update-140421.pdf>.

The timing of the Willis Appeal is outside the control of the Trustees. We are yet to be advised of the hearing date by the High Court. Our best estimate is that the Willis Appeal will be heard later this calendar year.

Timing and Quantum of Dividend

Until such time as the Objections and Willis Appeal have been resolved, we are unable to provide an estimate of the timing or quantum of the dividend. We are working as expeditiously as possible to resolve both issues. We will continue to keep creditors informed of any significant developments on these issues, which have a bearing on the timing or quantum of the dividend. Whilst both matters affect the size of the pool of creditor claims, the assets available for distribution have not materially changed from those amounts previously reported.

Thank you for your patience and cooperation in working with our team through this process.

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Further queries

In the event you have any queries regarding the contents of this circular, or the administration in general, please contact us at virginadmin@deloitte.com.au.

Yours faithfully



Richard Hughes
Trustee