



NOTICE OF ANNUAL GENERAL MEETING

Virgin Australia Holdings Limited ACN 100 686 226 (the Company) gives notice that the 2017 Annual General Meeting of the Company (the Meeting) will be held at the **Emporium Hotel, 1000 Ann Street, Fortitude Valley, Queensland on Wednesday 8 November 2017 at 11.00am (AEST time).**

Agenda

IMPORTANT: The items of business set out below should be read in conjunction with the information provided in the accompanying Notes and Explanatory Memorandum, which form part of this Notice of Meeting.

Item 1: Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2017.

Note: A copy of the Company's Annual Report 2017 (including the Financial Report, Directors' Report and Auditor's Report) is accessible on the Company's website at www.virginaustralia.com/annualreports.

Item 2: Election and re-election of Directors

- (a) To elect Mr Ken Dean as a Director.
- (b) To elect Mr Warwick Negus as a Director.
- (c) To elect Mr Harsh Mohan as a Director.
- (d) To elect Mr Lan Xiang as a Director.
- (e) To re-elect The Hon. Mark Vaile AO as a Director.

Item 3: Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT the Remuneration Report (which forms part of the Directors' Report) for the financial year ended 30 June 2017 is adopted.

Note: Voting exclusions apply to this proposed resolution, as outlined on page 3 of this Notice of Meeting.

Item 4: Increase in Non-Executive Directors' fee cap

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT, for the purposes of ASX Listing Rule 10.17 and rule 47(b) of the Company's Constitution (and for all other purposes), the maximum aggregate amount that may be paid or provided, in any year, to Non-Executive Directors of the Company by way (respectively) of:

- (a) fees (within the meaning contemplated by ASX Listing Rule 10.17); and
- (b) remuneration (within the meaning contemplated by rule 47(b) of the Company's Constitution) for their services as a Director,

is increased from \$1,200,000 to \$2,000,000.

Note: Voting exclusions apply to this proposed resolution, as outlined on page 4 of this Notice of Meeting.

Notes

How to vote

You may vote by attending the Meeting in person or by appointing a proxy to attend and vote at the Meeting on your behalf. A body corporate may vote by appointing a proxy or a corporate representative to attend the Meeting and vote on its behalf.

All items of business to be put to the vote at the Meeting will be determined by poll, not a show of hands.

Voting in person

To vote in person, attend the Meeting on Wednesday, 8 November 2017 at the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Queensland. The Meeting will commence at 11.00am (AEST).

Voting entitlement

You will be entitled to attend and vote at the Meeting if you are registered as a shareholder of the Company at 7.00pm Sydney time (which is 6.00pm AEST) on Monday, 6 November 2017. Transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the Meeting. This is because, in accordance with the *Corporations Regulations 2001* (Cth), the Board has determined that the shares on issue at that time will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.

Voting exclusions for Items 3 and 4

The *Corporations Act 2001* (Cth) and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on some of the resolutions to be considered at the Meeting.

For the purposes of these voting exclusions (and this Notice generally and the accompanying proxy form):

- The **Key Management Personnel (KMP)** means the key management personnel for the Company's consolidated group. These are the persons having authority and responsibility for planning, directing and controlling the activities of the Company's consolidated group either directly or indirectly. They include the Non-Executive Directors, the Managing Director and Chief Executive Officer and specified senior executives. The KMP for the financial year ended 30 June 2017 are listed in the Remuneration Report, which commences on page 22 of the Company's Annual Report 2017.
- A **Closely Related Party (CRP)** of a member of the KMP means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependant of the member or of the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company's consolidated group; or
 - a company the member controls.
- An **Associate** of a Director means an associate of the Director within the meaning given to that term under the ASX Listing Rules.

For the purposes of the Meeting, the following voting exclusions apply:

1. **Item 3 (Adoption of the Remuneration Report):** In respect of the resolution proposed in Item 3, no votes may be cast, and the Company will disregard any votes cast:
 - by or on behalf of a current or former member of the KMP details of whose remuneration are included in the Company's Remuneration Report for the financial year ended 30 June 2017 or a Closely Related Party of any such member of the KMP, regardless of the capacity in which the vote is cast; or
 - as a proxy by any person who is a member of the KMP as at the time the resolution is voted on at the Meeting, or by a Closely Related Party of any such person,

unless the vote is cast as a proxy for a person entitled to vote on the resolution proposed in Item 3 and:

- in accordance with a direction in the proxy appointment which specifies, in writing, the way in which the proxy is to vote on the resolution; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though the resolution is connected with the remuneration of a member of the KMP.

Notes (continued)

2. **Item 4 (Increase in Non-Executive Directors' fee cap):** In respect of the resolution proposed in Item 4, no votes may be cast, and the Company will disregard any votes cast:
- by any Director of the Company or any Associate of a Director of the Company, regardless of the capacity in which the vote is cast; or
 - as a proxy by any person who is a member of the KMP as at the time the resolution is voted on at the Meeting, or by a Closely Related Party of any such person,

unless the vote is cast as a proxy for a person entitled to vote on the resolution proposed in Item 4 and:

- in accordance with a direction in the proxy appointment which specifies, in writing, the way in which the proxy is to vote on the resolution; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though the resolution is connected with the remuneration of a member of the KMP.

Please read the information below under the heading 'Chair as proxy' for details of how the Chair intends to vote undirected proxies on the resolutions proposed in Items 3 and 4.

Voting by proxy

A shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on their behalf. A proxy is not required to be a shareholder of the Company. The person appointed as a shareholder's proxy may be an individual or a body corporate.

Appointing more than one proxy

A shareholder entitled to cast two or more votes may appoint two proxies. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number of votes is specified, each proxy may exercise half of your votes (disregarding fractions).

How is the proxy to vote?

A shareholder may direct their proxy to vote in a particular way, or to abstain from voting, on an item of business by marking the appropriate box for that item in the proxy appointment. If the proxy appointment directs the proxy how to vote on an item of business and the nominated proxy votes on that item, they must vote as directed. If the proxy is the Chair of the Meeting, the proxy must vote on a poll and must vote as directed. This does not affect the way a proxy can cast any votes they hold in their own capacity as a shareholder.

If a proxy appointment directs the proxy how to vote on any item/s of business but the nominated proxy does not attend the Meeting, or does not vote on the relevant item/s, the Chair of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with the appointing shareholder's directions on the relevant item/s.

Any undirected proxies on a given item of business may be voted by the appointed proxy as they choose, subject to the voting exclusions for Items 3 and 4 described above.

How to appoint a proxy

To appoint a proxy, shareholders will need to submit the personalised proxy form enclosed with the hard copy of this Notice (where applicable), or an electronic proxy appointment, by following the instructions below.

You can submit your proxy appointment in four ways:

- **Online** by visiting www.virginaustralia.com/agm/2017 or using the smartphone voting service. To use the smartphone voting service, scan the QR code which appears at the top of the proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. You will need to enter your Securityholder Reference Number (SRN) or your Holder Identification Number (HIN) and your postcode to submit your proxy appointment online. Intermediary Online subscribers (custodians) may lodge proxy instructions at www.intermediaryonline.com;
- **By mail** (using the return-addressed envelope, reply-paid for mailing in Australia) to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001;
- **By hand** to Computershare Investor Services Pty Limited at 117 Victoria Street, West End, Brisbane during business hours; or
- **By facsimile** to Computershare Investor Services Pty Limited on facsimile number 1800 783 447 (or 61 3 9473 2555 if outside Australia).

To be effective for the scheduled Meeting, your proxy appointment must be submitted electronically, or your proxy form must be received, no later than 12 midday Sydney time (11.00am AEST) on 6 November 2017 (being 48 hours before the commencement of the Meeting).

Notes (continued)

If the proxy form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form, unless the power of attorney has already been provided to the Company's share registry. A proxy cannot be appointed under power of attorney or similar authority online.

Chair as proxy

The Company encourages you to consider directing your proxy how to vote by marking the appropriate box on each of the items of business in the proxy appointment.

If you appoint the Chair of the Meeting as your proxy (or the Chair becomes your proxy by default) and you do not direct your proxy how to vote on any proposed resolution set out in this Notice, then (by submitting your valid proxy appointment) you will be expressly authorising the Chair of the Meeting to vote as the Chair decides on the relevant resolution (even though Items 3 and 4 are connected with the remuneration of a member of the KMP).

The Chair of the Meeting intends to vote undirected proxies in favour of each of the proposed resolutions at the Meeting (where permissible).

If you do not want the Chair of the Meeting to vote as your proxy in favour of any of the proposed resolutions, you need to direct your proxy to vote against, or to abstain from voting on, the relevant resolution by marking the appropriate box in the proxy appointment.

Other KMP as proxy

If you appoint a Director (other than the Chair of the Meeting) or another member of the KMP (or a Closely Related Party of any such member) as your proxy, you should direct them how to vote on Items 3 and 4 by marking the appropriate box in the proxy appointment. If you do not do so, your nominated proxy will not be able to vote on your behalf on Items 3 or 4.

By Order of the Board



Sharyn Page
Company Secretary

6 October 2017

Explanatory Memorandum

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Virgin Australia Holdings Limited to be held on 8 November 2017 at 11.00am (AEST) at the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Queensland.

Important information relevant to the business to be considered at the Meeting is provided in this Explanatory Memorandum and shareholders should read this document in full.

Item 1: Financial Report, Directors' Report and Auditor's Report

In accordance with the *Corporations Act 2001* (Cth), the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2017 will be put before the Meeting.

Shareholders can access a copy of the Reports (which form part of the Company's Annual Report 2017) at www.virginaustralia.com/annualreports. Shareholders may elect to receive, free of charge, a printed copy of the Reports for each financial year. A printed copy of the Reports has been sent to shareholders who have previously made this election. Shareholders who have not received a printed copy of the Reports but wish to do so should contact the Company's Share Registry.

During this item, shareholders present at the Meeting will have a reasonable opportunity to ask questions about, and make comments on, these Reports and on the business, operations and management of the Company.

A representative of the Company's auditor, KPMG, will be present at the Meeting. During this item, shareholders will be given a reasonable opportunity to ask the auditor's representative questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report for the financial year ended 30 June 2017, the accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Financial Report for that year, and the independence of the auditor in relation to the conduct of the audit. Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the Auditor's Report or the conduct of the audit. These written questions must be received by the Company no later than 1 November 2017 (being the fifth business day before the Meeting). The auditor's representative will have a reasonable opportunity at the Meeting to answer any relevant written questions received by that date.

Item 2: Election and re-election of Directors

Messrs Dean, Negus, Mohan and Lan are all Non-Executive Directors who were appointed to the Board since the 2016 Annual General Meeting and, in accordance with rule 43(b) of the Company's Constitution, will cease to hold office at the 2017 Annual General Meeting unless elected at the Meeting. Each of them is eligible to be elected, and intends to offer themselves for election, at the Meeting.

Mr Mark Vaile has been a Non-Executive Director since September 2008 and was last re-elected by shareholders at the Company's 2014 Annual General Meeting. Mr Vaile will retire at the Meeting in accordance with rule 46(a) of the Company's Constitution and, being eligible, intends to offer himself for re-election at the Meeting.

Separate resolutions will be put to the Meeting in respect of each of the candidates for election and re-election.

Further information about each of the Directors standing for election or re-election is set out below.

(a) Election of Mr Ken Dean

Mr Ken Dean - B.Com (Hons), FCPA, FAICD
Independent Non-Executive Director
Chair, Audit and Risk Management Committee
Member, Remuneration Committee

Mr Ken Dean was appointed to the Board on 1 December 2016.

Ken is a Director and the Chair of the Audit and Risk Committees at Energy Australia and BlueScope Steel Limited. Previously, Ken was a director of Santos Limited for 11 years and the Chief Financial Officer of the resources company Alumina Limited for four years.

Ken also worked for Shell Group for 30 years, during which time he held a number of executive financial roles, managing foreign exchange and money markets, insurance, mergers and acquisitions, internal audit, financial control and SAP implementation. He was Chief Executive Officer of Shell Financial Services, a member of the Shell Group Global Senior Management Team and Executive Director of Finance and Corporate Services for Shell Australia.

Ken is also the Non-Executive Chairman of the not-for-profit organisation Mission Australia.

The Board considers Ken Dean to be an Independent Director of the Company.

Recommendation - The Directors of the Company (with Ken Dean abstaining) recommend that shareholders vote in favour of Ken Dean's election as a Director.

Explanatory Memorandum (continued)

(b) Election of Mr Warwick Negus

Mr Warwick Negus - BBus (UTS), MCom (UNSW), SF Fin

Non-Executive Director

Member, Remuneration Committee

Mr Warwick Negus was appointed to the Board on 3 January 2017.

Warwick is the shareholder representative Director nominated by Virgin Group, a major shareholder of the Company.

Warwick is Chairman of Pengana Capital Group and URB Investments Limited. He is also a Director of Washington H Soul Pattinson & Co and Bank of Queensland, a Director of the diversified real estate company Terrace Tower Group and Chairman of UNSW Global Limited.

From 2005 to 2008, Warwick was Chief Executive of Colonial First State Global Asset Management, Australia's largest fund manager. Prior to this, Warwick co-founded 452 Capital, an independent fund management company, and held a number of senior positions in asset management and investment banking at Goldman Sachs in Hong Kong, Singapore, London and Sydney.

Warwick is also a member of Council of University of NSW and a Director of FINSIA Limited.

Recommendation – The Directors of the Company (with Warwick Negus abstaining) recommend that shareholders vote in favour of Warwick Negus' election as a Director.

(c) Election of Mr Harsh Mohan

Mr Harsh Mohan - B.Sc. (Hons), FCA

Non-Executive Director

Mr Harsh Mohan was appointed to the Board on 30 June 2017.

Harsh is the shareholder representative Director nominated by Etihad Aviation Group, a major shareholder of the Company.

Harsh has held the position of Chief Group Support Services Officer for the Etihad Aviation Group since May 2017. Previously, Harsh held the position of Chief Executive Affairs, where he oversaw the Chairman's Project Management Office (PMO), Corporate Strategic Initiatives, Corporate PMO, Business Transformation, Ethics, and Risk Management teams for the Etihad Aviation Group.

Prior to this, Harsh was Senior Vice President Audit, Compliance and Risk Management for Etihad Airways, which he joined in April 2011.

Before joining Etihad Airways, he served as General Auditor and Senior Director, Risk Management and Business Transformation at Air Canada from 2007 to 2011.

Harsh is a member of the Institute of Chartered Accountants of India and is qualified as a Certified Public Accountant (CPA) in the United States.

Recommendation – The Directors of the Company (with Harsh Mohan abstaining) recommend that shareholders vote in favour of Harsh Mohan's election as a Director.

(d) Election of Mr Lan Xiang

Mr Lan Xiang - Bachelor's Degree in Aeronautical Electrical Engineering, Civil Aviation University of China, Masters Degree in Business Management, Beijing Normal University

Non-Executive Director

Mr Lan Xiang was appointed to the Board on 24 July 2017.

Mr Lan is the shareholder representative Director nominated by the Nanshan Group, a major shareholder of the Company.

Mr Lan is the President of Qingdao Airlines, which forms a part of the Nanshan Group. Mr Lan joined Qingdao Airlines in 2013 as the Vice President responsible for Marketing and Informational Technology.

Prior to this, Mr Lan was an executive and senior system analyst at Travel Sky, a provider of information technology solutions for the aviation and tourism industries.

Mr Lan has also held positions at Shenzhen Airlines and China Southern Airlines.

Recommendation – The Directors of the Company (with Mr Lan abstaining) recommend that shareholders vote in favour of Mr Lan's election as a Director.

Explanatory Memorandum (continued)

(e) Re-election of The Hon. Mark Vaile AO

The Hon. Mark Vaile AO - Former Deputy Prime Minister of Australia
Independent Non-Executive Director
Chair, Safety and Operational Risk Review Committee

The Hon. Mark Vaile was appointed to the Board as a Director on 22 September 2008 and was last re-elected by shareholders at the 2014 Annual General Meeting.

Mark is Chairman of Whitehaven Coal Limited, Palisade's Regional Infrastructure Fund and the Australia Korea Business Council, and Co-Chair of the Australian American Leadership Dialogue. He was previously Chairman of CBD Energy Ltd. Mark is a Director of Stamford Land Corporation Ltd, HostPlus Superfund Ltd, SmartTrans Holdings Ltd and Servcorp Ltd.

In 2012 Mark was appointed an Officer in the Order of Australia in the Queen's birthday honours list.

Mark was a Member of the Australian Parliament from 1993 to 2008. He was Deputy Prime Minister (2005-2007), Minister for Trade (1999-2006), Minister for Transport and Aviation (1997-1998, 2006-2007) and Minister for Agriculture (1998-1999).

The Board considers Mark Vaile to be an Independent Director of the Company.

Recommendation – The Directors of the Company (with Mark Vaile abstaining) recommend that shareholders vote in favour of Mark Vaile's re-election as a Director.

Item 3: Adoption of the Remuneration Report

The Remuneration Report for the Company for the financial year ended 30 June 2017 commences on page 22 of the Annual Report 2017 (which is available online at www.virginaustralia.com/annualreports).

The Remuneration Report provides information on the following issues:

- the policies adopted by the Board for determining the nature and amount of the remuneration of Directors and other members of the KMP;
- the relationship between the remuneration policies and the Company's performance;
- the performance conditions that apply to the different components of the remuneration structure, why those performance conditions were chosen and how performance is measured against them; and
- remuneration details for Directors and other members of the KMP.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic objectives and current and emerging market practices.

During this item, shareholders present at the Meeting will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report.

Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the Meeting. In accordance with the *Corporations Act 2001* (Cth), the vote on this resolution will be advisory only and will not bind the Directors or the Company. However, if 25% or more of the votes that are cast on the resolution are against adoption of the Remuneration Report and, at next year's Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the financial year ending 30 June 2018 are against that report's adoption, then the Company would be required to put to shareholders at that Annual General Meeting a resolution (a spill resolution) proposing that an Extraordinary General Meeting (EGM) be held within 90 days to consider the election of Directors. If the spill resolution were to be passed, all of the Directors (other than the Managing Director) would cease to hold office at the subsequent EGM, unless re-elected at that meeting.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Explanatory Memorandum (continued)

Item 4: Increase in Non-Executive Directors' fee cap

For the purposes of ASX Listing Rule 10.17 and rule 47(b) of the Company's Constitution, the Board is seeking shareholder approval to increase the maximum total amount available for payment to Non-Executive Directors by way (respectively) of:

- Directors' fees (within the meaning contemplated by ASX Listing Rule 10.17); and
- remuneration (within the meaning contemplated by rule 47(b)) for their services as Directors of the Company (Fee Cap).

ASX Listing Rule 10.17 and rule 47(b) of the Company's Constitution require the Fee Cap to be determined by shareholders in general meeting.

What is the current Fee Cap?

The current Fee Cap of \$1,200,000 per annum was approved by shareholders at the 2011 Annual General Meeting. Shareholder approval is sought to increase the Fee Cap by \$800,000 to \$2,000,000 per year.

Why is an increase in the Fee Cap being proposed?

The Board is seeking shareholder approval to increase the Fee Cap for the following reasons:

- **To facilitate Board succession planning** - In the 2017 financial year, a Board renewal program was commenced, with the appointment of Mr Dean, an experienced Independent Director, to the Board on 1 December 2016. The Board intends to continue this program during the 2018 financial year. The Board recently updated its skills matrix (which outlines the skills and experience that the Board collectively has and requires), and will have regard to this matrix as it looks to appoint new Directors.

Following the recent resignation of Mr Baxby as a Director on 10 August 2017, the Board currently comprises 11 Directors (being five Independent Non-Executive Directors, five Directors nominated by major shareholders, and the Managing Director and Chief Executive Officer (CEO)). As part of the Board succession planning process and having regard to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (which recommend that the Board have a majority of Independent Directors), it is proposed to appoint an additional Independent Director to increase the Board size to 12. The Board would then comprise six Independent Directors, five Directors nominated by major shareholders, and the CEO. As the Company's Constitution gives the Chairman (who is an Independent Director) a casting vote if there is an equality of votes at a meeting of Directors, this would give Independent Directors an effective majority in Board decision-making.

While the Directors are not currently proposing any increase in the size of the Board beyond this, the proposed Fee Cap increase would give them the flexibility to make additional Board appointments if they see fit to ensure that the size, composition and skills of the Board continue to be appropriate.

- **To accommodate any additional Board Committee appointments** - The Board may from time to time appoint one or more additional Directors to Board Committees to ensure that the Committees continue to have an appropriate composition and level of membership, having regard to the responsibilities and workload of the relevant Committee.
- **To provide an appropriate buffer to assist smooth succession planning** - In the course of the Board's succession planning processes, it is anticipated that new Directors may, from time to time, be appointed to the Board prior to the retirement of any existing Directors whom they are intended to replace in due course. In these circumstances, there would be a short term increase in the size of the Board and an increase in the overall fees paid to Directors during the transitional period.
- **To have flexibility to increase Directors' fees to ensure market competitiveness** - The Board periodically reviews the fees payable for serving on the Board or a Board Committee to assess whether they are at an adequate level to attract and retain Non-Executive Directors with appropriate skills, expertise and experience, having regard to benchmarking information for comparably sized ASX listed companies and industry peers. The proposed increase in the Fee Cap will enable the Board to revise the fees for Board and Committee roles over the next few years where considered necessary or appropriate to maintain alignment with relevant market rates and recruit and retain suitably high calibre candidates. This may include recommencing the payment of fees to Directors nominated by major shareholders, as the Company ceased paying fees to nominee Directors on 1 December 2016.

If approved by shareholders, the Directors do not anticipate that the proposed increase in the Fee Cap will be fully utilised in the immediate future. Rather, the increased Fee Cap will allow the Company to maintain an appropriate buffer to accommodate the circumstances outlined above.

Explanatory Memorandum (continued)

How much are Directors currently paid for their services as a Director of the Company?

During the 2017 financial year, the Board reviewed the fees payable to Non-Executive Directors. Prior to this review, there had been no increase in Non-Executive Directors' fees since March 2010 (with the exception of the Remuneration Committee Chairman's fees, which were increased in 2015). An independent benchmarking survey undertaken in 2015 showed that Non-Executive Directors' fees were well below comparable external benchmarks for similarly sized ASX listed companies. After careful consideration, the Board determined to increase the fees payable to Independent Non-Executive Directors for acting as the chairman or a member of the Board and various Board Committees (respectively). These changes took effect from 1 December 2016. The Board also determined to cease the payment of fees to Directors nominated by major shareholders from that date.

Details of the annual fees (inclusive of superannuation contributions) currently payable to Independent Non-Executive Directors for chairmanship or membership of the Board or a particular Board Committee are set out on page 33 of the Company's Annual Report 2017.

Independent Non-Executive Directors also receive annual travel entitlements, consistently with airline industry practice. These are non-monetary benefits which form part of the Directors' remuneration for the purposes of the AASB accounting standards and, therefore, rule 47 of the Company's Constitution. The accounting value of these travel benefits for the 2017 financial year is disclosed on page 34 of the Company's Annual Report 2017 (see the statutory remuneration table for Non-Executive Directors).

The Chairman also receives fees (and superannuation contributions) for providing the extra services of acting as a director of Virgin Australia International Holdings Pty Limited (VAIH), details of which are set out on page 33 of the Company's Annual Report 2017. As these payments are made, with approval of the Directors, for extra services in accordance with rule 47(f) of the Constitution, they are not counted when applying the Fee Cap.

As at the date of this Notice, the maximum aggregate amount of Directors' fees (inclusive of superannuation contributions) payable to Non-Executive Directors for their services as a Director of the Company is \$990,000 per annum. This sum excludes non-monetary travel entitlements, and special exertion payments to the Chairman for acting on the Board of VAIH.

Additional information required by ASX Listing Rule 10.17


No securities have been issued to any Non-Executive Director under ASX Listing Rules 10.11 or 10.14 with shareholder approval within the last three years.


Recommendation – As each of the Non-Executive Directors has a personal interest in this matter, the Directors make no recommendation as to how shareholders should vote on the resolution proposed in Item 4.

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Lodge your proxy appointment:

 **Online:**
www.virginaustralia.com/agm/2017

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Appoint your proxy online or view the annual report, 24 hours a day, 7 days a week

Go to www.virginaustralia.com/agm/2017 or scan the QR Code with your mobile device.
Follow the instructions on the secure website to lodge your proxy appointment.

Your secure access information that you will need to vote:

Control Number: 139696

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your proxy appointment to be effective it must be received by 11.00am (AEST) on Monday, 6 November 2017**

How to Vote on Items of Business

If you direct your proxy how to vote on an item or items of business, all of your securities will be voted on the relevant item/s in accordance with your directions (where permissible).

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box on an item of business your proxy may vote as they choose on that item. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate only a portion of your voting rights are to be voted on an item by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes for that item. The sum of the votes cast on your behalf must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you appoint two proxies you may specify the percentage of votes or number of securities each proxy is appointed to exercise. Otherwise each proxy may exercise half of your votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each proxy in Step 1 overleaf. Fractions of votes will be disregarded.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the Meeting they will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO APPOINT YOUR PROXY,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Virgin Australia Holdings Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or, if the individual or body corporate named does not attend the Meeting, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy decides) at the Annual General Meeting of Virgin Australia Holdings Limited to be held at the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Queensland on Wednesday, 8 November 2017 at 11.00am (AEST) and at any adjournment or postponement of that Meeting.

Chair authorised to exercise proxies on remuneration related resolutions (Items 3 and 4): Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default) and I/we am/are entitled to vote on the relevant Item, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy on, and in connection with, Items 3 and 4 even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Virgin Australia Holdings Limited consolidated group.

Chair to vote undirected proxies in favour: I/we acknowledge that the Chair of the Meeting intends to vote undirected proxies in favour of each item of business (where permissible).

PLEASE NOTE: If you do not want the Chair of the Meeting to vote as your proxy in favour of Items 3 and 4 (or any other Item), you need to direct your proxy to vote against, or to abstain from voting on, the relevant Items by marking the appropriate boxes in Step 2 below.

If you appoint as your proxy a Director (other than the Chair of the Meeting) or another member of the Key Management Personnel of the Virgin Australia Holdings Limited consolidated group (or a Closely Related Party of a member of the Key Management Personnel), you should direct them how to vote on Items 3 and 4 by marking the "For", "Against" or "Abstain" boxes opposite each of those Items in Step 2 below. If you do not do that, your nominated proxy will not be able to vote on your behalf on Items 3 and 4.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Your proxy may decide how to vote on any motion at the Meeting, except where specifically directed below. Please read the accompanying Notice of Meeting 2017 for details of each item of business.

	For	Against	Abstain
Item 2(a) Election of Mr Ken Dean as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(b) Election of Mr Warwick Negus as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(c) Election of Mr Harsh Mohan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(d) Election of Mr Lan Xiang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(e) Re-election of The Hon. Mark Vaile AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Increase in Non- Executive Directors' fee cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____