

8 September 2020

STA Travel Pty. Ltd. ACN 004 801 512
STA Travel Academic Pty Limited ACN 626 947 046
IEP Pty Limited ACN 069 168 412
(All Administrators Appointed)
(STA Travel Group or the Companies)

CUSTOMERS OF STA TRAVEL GROUP
AUSTRALIA ONLY
FREQUENTLY ASKED QUESTIONS
(FAQs)

The purpose of this FAQ is to assist customers of the Companies in understanding the voluntary administration appointment, how it affects their debt and what happens next.

1	Background	4
1.1	What has happened?	4
1.2	What is the role of the Administrators?	4
1.3	Will the business get sold and resume trading?	4
1.4	What happens from here? Who can I contact?	4
1.5	When will customers be provided with further updates?	5
2	Refunds	6
2.1	Will I be paid? When?	6
2.2	How long will the process take? When can I expect my money?	6
2.3	Can I get a refund for a cancelled trip?	6
2.4	What happens to my credit for cancelled trips?	6
2.5	Are any monies held on trust for customers?	6
2.6	I have spoken with the supplier directly and they have advised me that the STA Travel Group has my money. When will my money be returned?	6
2.7	What is the order of priorities for outstanding monies owed to customers?	7
2.8	Will certain customer refunds be prioritised over others?	7

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3	Ticket types	8
3.1	Is my airline ticket a SATA ticket or an IATA ticket?	8
3.2	Should I still lodge a Proof of Debt Form with the Administrators if I have an IATA ticket?	8
3.3	If I have a SATA ticket should I still contact my airline?	8
3.4	I have contacted my supplier (airline, hotel, tour operator) and they have told me to contact the Administrators. What do I do next?	9
4	Current Bookings	10
4.1	How can I modify or cancel an existing booking?	10
4.2	I have flight and accommodation bookings in the near future (i.e. next week), how do I get confirmation about if this is going ahead?	10
5	Credits	11
5.1	What happens to my credit for cancelled trips?	11
5.2	I hold travel credits with the STA Travel Group, can I receive a refund for these?	11
5.3	Can I use my STA travel credits to arrange another flight?	11
5.4	I purchased a gift card with the validity of 3 years what happens with those?	11
6	Lodging a Proof of Debt Form with the Administrators	12
6.1	Who do I send my completed Proof of Debt Form to?	12
6.2	I have not received acknowledgment of my Proof of Debt Form. How do I know you have received it?	12
6.3	How do I know if my debt is secured?	12
6.4	How do I know if a debt is assigned to me?	12
6.5	I have booked a joint trip. Do we need to lodge separate Proof of Debt Forms?	12
7	First Meeting of Creditors	13
7.1	When was the First Meeting of Creditors?	13
7.2	What was the purpose of the First Meeting of Creditors?	13
7.3	I was unable to attend the First Meeting of Creditors. Did I miss anything?	13
7.4	Where can I view a copy of the minutes of the First Meeting of Creditors?	13
8	General enquires	14
8.1	Why have I not received notification regarding the Voluntary Administration?	14
8.2	Will the STA Travel Group or the Administrators be proactively be reaching out to their customers informing of them of the administration?	14
8.3	What is the estimated return to creditors?	14
8.4	What is the future of the STA Travel Group?	14
8.5	Will the Administrators be undertaking a sale campaign?	14

8.6	Is the STA Travel Group a creditor of airlines that are going through an insolvency process such as Virgin Australia?	14
8.7	Will the Administrators be seeking to extend the convening period?	14
8.8	Are the directors of the Company personally liable to repay amounts due to customers?	15
8.9	Did the STA Travel Group pay the fine issued by the Australian Competition & Consumer Commission (ACCC) in April 2020?	15
8.10	Is there any chance of the government stepping in and helping with the funding of the creditors?	15
8.11	Will the customers of each of the entities of the STA Travel Group be treated equally?	15
8.12	Who should I contact if I still have more queries?	15

1 Background

1.1 What has happened?

Due to the failure of STA Travel Group's Swiss parent, the directors determined that the Companies were insolvent or were likely to become insolvent and appointed Jason Tracy and Tim Norman of Deloitte as voluntary administrators (**Administrators**) on Friday, 21 August 2020 to take control of STA Travel Group's Australian businesses.

1.2 What is the role of the Administrators?

The Administrators have assumed responsibility for the Australian business and operations of the STA Travel Group. We are responsible for dealing with the staff, customers and suppliers of the business from the date of our appointment.

Please note that we are only appointed Administrators over the Australian domiciled companies and not all entities in the STA Travel international group. Please check the terms and conditions on any correspondence or booking information you have with an STA Travel international group company, as you may have a claim against an entity within the STA Travel international group of companies which we do not control. We encourage you to reach out to the relevant entity in this regard.

1.3 Will the business get sold and resume trading?

No. It appears that critical and necessary parts of the STA Travel Group business in Australia was not owned by the Companies, including the IT infrastructure, customer database and the STA Travel brand. The Australian entities only had access to these via a license agreement. We have attempted to contact the Swiss parent to ascertain whether a global restructure might be possible and/or whether these items could be assigned for the possible benefit of a new owner, but we have had no response. Based on the information available to us regarding the collapse of the parent, we consider it unlikely any such outcome might be possible.

1.4 What happens from here? Who can I contact?

We will be working as quickly as possible to understand the business operations and determine the status of all customers of the Companies.

STA Travel Group operates as a global group, and its operations are complex. Customer deposits, for example, are in many cases not held in Australia, and third-party companies overseas are also involved. This is a challenging situation, and the Administrators are investigating possible options (if any) available to customers to allow them to recover any prepaid bookings or continue their travel plans.

Given all Australian STA Travel staff were made redundant as a result of the appointment of the Administrators, access to STA personnel is not possible. Customers holding bookings should contact their airline, hotel or tour operator regarding the status of their bookings. You can also consider contacting your credit card provider if travel bookings were paid by credit card.

You can contact the Administrators' office by email at STATravel@deloitte.com.au, however given the volume of enquiries we are receiving, customers should expect delays in our response. We will continue to provide updates via our website available from www.deloitte.com/au/STATravelGroupAU.

1.5 When will customers be provided with further updates?

Customers will be provided with a Report to Creditors which will detail our investigations and our opinion the Administrators' recommendation for what creditors should resolve for the future for each of the Companies to be decided at the Second Meeting of Creditors.

It is currently estimated that the Report to Creditors will be provided no later than **17 September 2020** with the Second Meeting of Creditors required to be held on or prior to **25 September 2020**.

2 Refunds

2.1 Will I be paid? When?

The effect of the appointment of Voluntary Administrators is to place a moratorium (freeze) on the payment of amounts due to creditors for debts incurred up to the date of the appointment of the Administrators. This allows the Companies breathing space whilst the Administrators explore options that will either allow the business to continue, or if not, allow it to maximise the returns to creditors.

No payment can be made in relation to this pre-appointment debt during the administration process. However, customers may lodge a pre-appointment creditor claim against the Companies by lodging a **Proof of Debt Form**. These forms are available on our website www.deloitte.com/au/STATravelGroupAU and can be returned via email to STATravel@deloitte.com.au.

2.2 How long will the process take? When can I expect my money?

Pre-appointment creditors can only be paid when the Companies either enter a deed of company arrangement or liquidation. Any amount paid will be contingent upon the success of the recapitalisation sale and/or asset realisation process.

2.3 Can I get a refund for a cancelled trip?

Due to the current circumstances we are **not** currently in a position to offer any cash refunds for cancelled trips. Customers holding bookings should contact their airline, hotel or travel operator regarding the status of those bookings. You can also consider contacting your credit card provider if travel bookings were paid by credit card.

2.4 What happens to my credit for cancelled trips?

Due to the current circumstances we are **not** currently in a position to honour any credit for cancelled trips. Customers holding bookings should contact their airline, hotel or travel operator regarding the status of those bookings. You can also consider contacting your credit card provider if travel bookings were paid by credit card.

2.5 Are any monies held on trust for customers?

We are continuing our investigations to understand the ownership of funds held in the STA Travel Group pre-appointment bank accounts and to that end, we are working to determine whether those funds are held on trust for select customer beneficiaries. Despite this, we note, we have been unable to access any cash held in the STA Travel Group pre-appointment bank accounts. In some instances, and due to the nature of the agreements between suppliers and the international STA Travel Group, customer funds may be held by other entities within the international STA Travel Group.

2.6 I have spoken with the supplier directly and they have advised me that the STA Travel Group has my money. When will my money be returned?

We are continuing our investigations to understand the ownership of funds held in the STA Travel Group pre-appointment bank accounts and to that end are working to determine whether those funds are held on trust for select customer beneficiaries.

Despite this, we note, we have been unable to access any cash held in the STA Travel Group pre-appointment bank accounts. In some instances, and due to the nature of the agreements between suppliers and the international STA Travel Group, customer funds may be held by other entities within the international STA Travel Group.

2.7 What is the order of priorities for outstanding monies owed to customers?

There are generally two categories of creditors: secured and unsecured creditors.

- Customers ordinarily rank as unsecured creditors.
- Employees are a type of unsecured creditor that are paid in priority to other unsecured creditors.
- A secured creditor is generally a bank or other asset-based lender who holds a security interest, over some or all of a company's assets. In the event of a company becoming insolvent, creditors with valid security interests receive a priority ahead of unsecured creditors in respect to any payment of their outstanding debt.

2.8 Will certain customer refunds be prioritised over others?

No. All customer claims will be treated equally in the administration. However, certain funds available to be recovered by the Administrators may be held on trust for particular customers. In this instance, the underlying customer may have a priority to the funds held on trust on their behalf. Our investigations are ongoing with respect to where funds have been held on trust for individual customers.

3 Ticket types

3.1 Is my airline ticket a SATA ticket or an IATA ticket?

Approximately 70% of bookings arranged by the STA Travel Group are categorised as either tickets issued via their proprietary Student Air Travel Association (**SATA**) or tickets issued through the airlines through the International Air Transport Association (**IATA**). If you have an airline ticket number starting with "000" you have a ticket issued through SATA, however if you have a different three-digit number you are more likely to have an IATA ticket.

If you have an IATA ticket, we believe it is more likely that your travel will be honoured by the airline. There is a risk with the SATA tickets that the airline may not have received payment for the flight and consequently may not be in a position to honour your ticket.

Please refer to your itinerary document provided by the Companies and the below extracts to assist you in identifying which type of airline ticket you have.

SATA tickets

Friday 28-Feb-20					
		Airline Flight: XX1111 Class: Economy		Departure: Airport Time: 12:00 (28-Feb-20)	
Status Confirmed		Aircraft: Aircraft		Arrival: Airport Time: 22:00 (28-Feb-20)	
		Flight duration: 10h 00m		Seat Info: MS JANE SMITH:10A	
LAST NAME/First Name(s) SMITH/Jane Ms		Ticket Type Electronic Ticket		Ticket Number 000 0123456789	
		Airline Ref AAA1AA		Your Ref A1AAAA	

IATA tickets

Thursday 27-Feb-20					
		Airline Flight: XX2222 Class: Economy		Departure: Airport Time: 12:00 (27-Feb-20)	
Status Confirmed		Aircraft: Aircraft		Arrival: Airport Time: 16:00 (27-Feb-20)	
		Flight duration: 4h 00m			
LAST NAME/First Name(s) SMITH/Jane Ms		Ticket Type Electronic Ticket		Ticket Number 016 0123456789	
		Airline Ref BBB2BB		Your Ref B2BBBB	

3.2 Should I still lodge a Proof of Debt Form with the Administrators if I have an IATA ticket?

We encourage customers holding an IATA ticket in the first instance to contact their airline regarding the status of their bookings. Customers are also encouraged to lodge a Proof of Debt Form with the Administrators to ensure their details are recorded with the Administrators.

3.3 If I have a SATA ticket should I still contact my airline?

We encourage customers holding a SATA ticket in the first instance to contact their airline regarding the status of their bookings. Customers are also encouraged to lodge a Proof of Debt Form with the Administrators to ensure their details are recorded with the Administrators.

3.4 I have contacted my supplier (airline, hotel, tour operator) and they have told me to contact the Administrators. What do I do next?

The STA Travel Group operates as a global group, and its operations are complex. Customer deposits, for example, are in many cases not held in Australia, and third-party companies overseas are also involved. This is a challenging situation, and the Administrators are investigating possible options (if any) available to customers to allow them to recover any prepaid bookings or continue their travel plans. We are actively working with suppliers to ensure an outcome can be reached as swiftly as possible and appreciate your patience.

4 Current Bookings

4.1 How can I modify or cancel an existing booking?

As all STA Travel Group booking agents have been made redundant, we are unable to modify or cancel any bookings made by the STA Travel Group. This includes any request for urgent flight changes. We encourage customers to contact their airline, hotel or travel operator regarding the status of their bookings.

4.2 I have flight and accommodation bookings in the near future (i.e. next week), how do I get confirmation about if this is going ahead?

As all STA Travel Group booking agents have been made redundant, we are unable to confirm any bookings. We recommend that you contact the airline directly to seek confirmation of your booking.

5 Credits

5.1 What happens to my credit for cancelled trips?

Due to the current circumstances we are **not** currently in a position to honour any credit for cancelled trips. Customers holding bookings should contact their airline, hotel or travel operator regarding the status of those bookings. You can also consider contacting your credit card provider if travel bookings were paid by credit card.

No payment can be made in relation to this pre-appointment debt during the administration process. However, customers may lodge a pre-appointment creditor claim against the Companies by lodging a **Proof of Debt Form**. These forms are available on our website www.deloitte.com/au/STATravelGroupAU and can be returned via email to STATravel@deloitte.com.au.

5.2 I hold travel credits with the STA Travel Group, can I receive a refund for these?

We are **not** currently in a position to offer any cash refunds for travel credits, as there are insufficient funds held by the Administrators. Similarly, customers are not able to redeem travel credits with the STA Travel Group. We encourage customers to contact their airline, hotel or travel operator, or consider contacting your credit card provider if travel bookings were paid by credit card.

5.3 Can I use my STA travel credits to arrange another flight?

No. We are not currently in a position to offer any cash refunds for travel credits nor are we able make any other bookings as all STA Travel Group booking agents have been made redundant.

5.4 I purchased a gift card with the validity of 3 years what happens with those?

Due to the current circumstances we are **not** currently in a position to honour any gift cards issued by the STA Travel Group. Similarly, customers are not able to redeem travel credits with the STA Travel Group.

No payment can be made in relation to this pre-appointment debt during the administration process. However, customers may lodge a pre-appointment creditor claim against the Companies by lodging a **Proof of Debt Form**. These forms are available on our website www.deloitte.com/au/STATravelGroupAU and can be returned via email to STATravel@deloitte.com.au.

6 Lodging a Proof of Debt Form with the Administrators

6.1 Who do I send my completed Proof of Debt Form to?

Please return completed Proof of Debt Forms to us via email to STATravel@deloitte.com.au.

6.2 I have not received acknowledgment of my Proof of Debt Form. How do I know you have received it?

Customers that have provided their Proof of Debt Forms to the Administrators via email to STATravel@deloitte.com.au, should be on our email distribution list. If you have not received an email from us, kindly contact us via email and we will update our records accordingly.

6.3 How do I know if my debt is secured?

Generally in an administration, your debt will be considered secured where you have registered your security interest on the Personal Properties and Securities Register (**PPSR**). Generally, a customer of a company will not have a secured debt.

6.4 How do I know if a debt is assigned to me?

Generally, a customer will not have assigned their debt to a third party.

6.5 I have booked a joint trip. Do we need to lodge separate Proof of Debt Forms?

At this time, customers are able to lodge joint Proof of Debt Forms where they have booked together.

7 First Meeting of Creditors

7.1 When was the First Meeting of Creditors?

The First Meeting of Creditors was held virtually on Wednesday, 2 September 2020 at 12:00 PM (AEST).

7.2 What was the purpose of the First Meeting of Creditors?

The purpose of the meeting was to:

- inform creditors of the administration process;
- determine whether to appoint a Committee of inspection for the Companies;
- if so, who are to be the committee's members.

7.3 I was unable to attend the First Meeting of Creditors. Did I miss anything?

Attendance at the First Meeting of Creditors was **not compulsory** and will not affect your ability to claim in the administration.

7.4 Where can I view a copy of the minutes of the First Meeting of Creditors?

A copy of the minutes from the First Meeting of Creditors will be available from our website shortly www.deloitte.com/au/STATravelGroupAU.

8 General enquires

8.1 Why have I not received notification regarding the Voluntary Administration?

Once we are appointed as Administrators, we take steps to secure the company records which include details of all known creditors. Unfortunately, some creditor details may not be provided in these records which is why we advertise our appointment with ASIC as required pursuant to the Corporations Act 2001. If you are aware that you or any other creditor of the STA Travel Group have not received our emails regarding the Administration, we would request that you email our team at STATravel@deloitte.com.au to provide your contact details and we will update our records accordingly.

8.2 Will the STA Travel Group or the Administrators be proactively be reaching out to their customers informing of them of the administration?

We have contacted all customers and creditors for which details have been previously provided. In some instances details are limited and as a result, we are required to lodge a notice with the Australian Securities and Investments Commission's Insolvency Notices website as well as posting details for customers on our website www.deloitte.com/au/STATravelGroupAU. We have updated the Australian page of the STA Travel Group's website to redirect customers to our website.

8.3 What is the estimated return to creditors?

We are still working with the directors of each of the entities in the STA Travel Group to determine the total amounts due to creditors. Simultaneously, we are continuing to pursue recoveries in the administrations. Accordingly, at this stage, we are unable to provide an estimate of the potential return to creditors however, further information will be provided in our Report to Creditors which we estimate will be issued

8.4 What is the future of the STA Travel Group?

Due to the failure of STA Travel Group's Swiss parent, the directors determined that the Companies were insolvent or were likely to become insolvent and appointed Jason Tracy and Tim Norman of Deloitte as Administrators on Friday, 21 August 2020 to take control of STA Travel Group's Australian businesses.

8.5 Will the Administrators be undertaking a sale campaign?

No. It appears that critical and necessary parts of the STA Travel Group business in Australia was not owned by the Companies, including the IT infrastructure, customer database and the STA Travel brand. The Australian entities only had access to these via a license agreement. We have attempted to contact the Swiss parent to ascertain whether a global restructure might be possible and/or whether these items could be assigned for the possible benefit of a new owner, but we have had no response. Based on the information available to us regarding the collapse of the parent, we consider it unlikely any such outcome might be possible.

8.6 Is the STA Travel Group a creditor of airlines that are going through an insolvency process such as Virgin Australia?

Based on our preliminary investigations to date, the books and records of the Companies indicate that the Companies may be creditors of airlines that have been or are currently going through insolvency processes. Our ability to recover funds from affected airlines will be subject to the outcome of the insolvency process for each affected airline.

8.7 Will the Administrators be seeking to extend the convening period?

At this stage, we do not consider we will be required to seek an extension of the convening period and as such, we anticipate the Second Meeting of Creditors will be held on or before, 25 September 2020.

8.8 Are the directors of the Company personally liable to repay amounts due to customers?

In the event the Companies are placed into liquidation, detailed investigations will be conducted as to whether the Companies' directors have breached any of their obligations which would give rise to claims being made against those directors.

It is important to note that in response to the pandemic, the Government implemented COVID-19 Safe Harbour provisions which included the Coronavirus Economic Response Package Omnibus Bill 2020. Among other measures, the bill inserted a new section 588GAAA into the Corporations Act 2001 granting temporary relief for financially distressed businesses. From a corporate view, the temporary amendments provide relief for directors from potential personal liability for insolvent trading.

Details of our preliminary investigations regarding potential claims against the directors will be provided in the Report to Creditors, which we currently estimate will be available no later than 17 September 2020.

8.9 Did the STA Travel Group pay the fine issued by the Australian Competition & Consumer Commission (ACCC) in April 2020?

We are undertaking further investigations regarding the ACCC fine issued to the STA Travel Group however our initial inquiries reveal that payment of the ACCC fine by the Companies was deferred and has not yet been made.

8.10 Is there any chance of the government stepping in and helping with the funding of the creditors?

Whilst we have notified various government departments of our appointment ultimately, we consider it unlikely that a government agency will provide specific funding for customers who may not receive a return in the administrations of the Companies. Should we receive any engagement from a government agency in this regard, we will notify customers accordingly.

8.11 Will the customers of each of the entities of the STA Travel Group be treated equally?

Ordinarily, when a company enters into administration, its returns are subject to the realisations of the entity to which they are a creditor. Further details regarding this will be provided in the Report to Creditors, which we currently estimate will be available no later than 17 September 2020.

8.12 Who should I contact if I still have more queries?

We are continuing to make updates available to customers via our website at www.deloitte.com/au/STATravelGroupAU. Should you have any further queries, please direct these to the Administrators' staff by email to STATravel@deloitte.com.au.

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