

From: [Louise Klamka](#)
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Subject: RE: AA1000615 - Virgin Australia and Alliance Airlines - clarification of conduct [SEC=OFFICIAL]
Date: Tuesday, 15 November 2022 7:09:46 PM

Hi David

Below is a clean version of the wording that the Applicants consent to being disclosed.

Kind regards,
Louise

Proposed Conduct

The Applicants are seeking authorisation to continue to give effect to the Charter Alliance Agreement, in place since 2017, which enables the Applicants to:

- 1 jointly bid for, and contract with, corporate customers, including:
 - (a) joint pricing and scheduling of services for those customers;
 - (b) agreeing not to compete for each other's specified pre-existing customers; and
 - (c) agreeing for new charter opportunities, to cooperate and coordinate to bid jointly for the charter opportunity. Individual bids are permitted if a joint bid is not made.
- 2 agree not to supply services to each other's key competitors, with some limited exceptions.
- 3 offer eligible passengers of those customers access to the Velocity frequent flyer program.
- 4 offer eligible passengers of those customers access to Virgin Australia's airport lounges as part of an integrated corporate offering.
- 5 cooperate in relation to check-in, airport operations, airport handling, service policies and other matters to improve the overall quality of service offered to corporate customers; and
- 6 jointly optimise operations, including procurement and deployment of aircraft engines and spare parts, and maintenance and ground-handling services, to achieve cost savings and efficiencies.

Despite the restriction described in 1(b) above, the Charter Alliance has cooperated in relation to certain pre-existing customers from time to time. The exclusivity provision described in (2) has not prevented Alliance supplying services, including wet lease services, to other airlines.

(the **Proposed Conduct**).

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