



Green Bond Framework

Introduction

Virgin Trains USA LLC (the “Company”, “us”, “we”, “Virgin Trains”) owns and operates an express passenger rail system connecting major population centers in Florida, with plans to expand operations further in Florida, Las Vegas and elsewhere in North America. We are the first new major private passenger intercity railroad in the United States in over a century, and we believe our business represents a scalable model for twenty-first century passenger travel in North America.

We currently operate between Miami and West Palm Beach, one of the most heavily traveled and congested regions in the U.S. We have commenced construction of the expansion of our Florida passenger rail system to Orlando, Florida, and we intend to further expand our rail service to Tampa, Florida. Louis Berger estimates the total potential addressable market of travelers across our Miami to Tampa corridor to be approximately 413 million trips annually. We can operate up to 32 trains daily that are capable of speeds of up to 125 miles per hour, and we own stations located in the heart of downtown cities and major transit hubs in Florida. We believe our passenger rail system offers travel that is faster, safer, more eco-friendly, more reliable, less expensive, more productive and more enjoyable than travel by car or air.

On March 5, 2019, we acquired DesertXpress Enterprises, LLC and certain related assets (the “XpressWest Acquisition”), including the rights to develop a high-speed rail project within a corridor between Southern California and Las Vegas, Nevada. The XpressWest Acquisition provides us with the opportunity to develop, operate and connect Las Vegas with Southern California by means of a new passenger rail system (the “Vegas Expansion”). The Vegas Expansion will link one of the most traveled routes in the United States, connecting approximately 13.4 million people living in the Los Angeles metro area with the approximately 2.2 million people living in the Las Vegas metro area, which is one of the most visited cities in the United States.

On November 16, 2018, we announced our partnership with Virgin Enterprises Limited (“VEL”) and our intention to rebrand from “Brightline” to “Virgin Trains USA.” Through its affiliated businesses, VEL is a global leader in the passenger transportation sector with involvement in the airline, passenger rail, tour operations, hotel and cruise sectors, serving approximately 53 million customers annually across all of its platforms. Its brand, Virgin, is well recognized globally and is associated with high quality service and industry-leading customer experience. Through its Virgin Trains (UK) affiliate, VEL has over 20 years of experience operating high-speed passenger trains throughout the United Kingdom and passengers took over 38 million trips during the fiscal year ended March 31, 2018. We believe our partnership with VEL will help enable us to accelerate our market penetration, leveraging a brand that fits the diversified population and international traveler base of our Florida market as well as the California and Las Vegas markets we intend to serve. We also expect to benefit from cross-marketing, distribution and customer loyalty programs with other VEL passenger travel businesses, many of which conduct operations within our markets.

We believe our Florida passenger rail service and the Vegas Expansion will serve as a scalable model to expand our operations to a number of other large and congested intercity travel corridors in North America where large and growing travel populations seek a similar solution for medium-distance, “too long to drive, too short to fly” travel. Our focus on this model is central to our business strategy and our intent to improve the communities we serve by providing a more efficient and effective transportation alternative that addresses the challenges of increased travel and environmental sustainability.

We aim to execute on our growth strategy by offering three compelling benefits to intercity travelers: speed of travel, customer experience and cost savings:

Speed of Travel – Our express transit service is significantly faster than car travel. For example, our Miami to Orlando service will take approximately 3 hours 15 minutes compared to an estimate of approximately 4 hours 15 minutes by car along I-95 or 3 hours 50 minutes along the Florida Turnpike, which is a toll road. We believe the Vegas Expansion will result in trips between Victorville and Las Vegas taking approximately 1 hour 30 minutes compared to an estimate of approximately 2 hours 50 minutes by car.

Customer Experience – Whether traveling for business or leisure, passengers can maximize productivity, using mobile devices freely, and enjoy a variety of amenities, while traveling from one downtown location to another on a reliable schedule and in an environmentally friendly way. Our trains depart and arrive at our bright, new state-of-the-art stations, and all of our trains are equipped with free high-speed WiFi connections and USB charging ports at each seat. Additionally, passengers are able to avoid travel time to the airport, airport security and sitting in commuter traffic.

Cost Savings – We expect to offer service between Miami and Orlando for fares that are lower than the cost of driving or flying for individual travelers. Based on our expected fares for an individual traveler, we expect that a trip on our trains between Miami and Orlando will be approximately 25% less expensive than driving and approximately 30% less expensive than flying. We expect the fares between the Southern California area and Las Vegas will average approximately \$60, which is less expensive than the cost of driving (when including parking costs) and the typical cost of flying. For example, the cost of a next day, Friday flight from Los Angeles to Las Vegas can often exceed \$150. These benefits are consistent with factors that have made other express passenger rail systems successful throughout the world.

Environmental Benefits – Our transit service provides an alternative mode of transportation for inter-city travel and reduces transportation-related greenhouse gas emissions. Our Florida operations utilize the Siemens Charger locomotive, an Environmental Protection Agency (EPA) Tier 4 emission certified locomotive. Tier 4 emission standards is EPA’s most stringent emission standard for nonroad engines and requires the use of Ultra Low Sulfur Diesel Fuel, which results in approximately 90 percent reduction of emissions as compared to Tier 0 locomotives. Our future Southern California service will utilize electrified locomotives and we intend to maximize power generated by renewable energy

sources, such as solar and wind, which is expected to provide even greater reductions in transportation-related greenhouse gas emissions.

We also believe in “*Connecting People for Good*” and strive to be an active participant in the communities in which we operate through outreach, safety education and community relations.

Outreach – Although Virgin Trains is privately funded, there is no better example of a public-private partnership. Long before the start of operations, Virgin Trains launched an outreach campaign with local governments and first responders along our corridor. During planning, construction and now operations, we proactively engage with public safety agencies to ensure cooperation and communication across our operations. We are in regular communication with state, county and local municipalities, agencies and departments of transportation as well as media outlets regarding our phase two construction. This allows us to provide advance notice of anticipated road closures associated with our construction activities.

Safety Education – Nearly 12 months prior to commencement of our service, Virgin Trains launched our first safety education campaign. Over a 24-month period we have run over 2,500 public service announcements, trained over 500 bus drivers, partnered with all three school districts, distributed nearly 30,000 pieces of safety literature and delivered 92,000 mailers to students and families who live along our corridor.

In 2018, we launched a unique safety education tool, the “Buzz Boxx”, a mobile barbershop designed to engage with those who interact with our corridor every day including students and members of the homeless community. The Buzz Boxx offers a free haircut for anyone willing to take a safety pledge. We have conducted over 60 activations and were recognized by American Public Transportation Association for a national safety award.

Community Relations – “*Connecting People For Good*” is our corporate responsibility plan that focuses on mental health, community greening and activating our teammates in the communities where we operate. As part of our Buzz Boxx operations, we provided mental health counselors for at-risk youth and members of the homeless community. Since 2016, on an annual basis, over 30 Virgin Trains teammates have delivered 500 turkeys to families in need during Thanksgiving and 750 backpacks filled with supplies for students returning to school. Also, during 2019, after the devastating impacts of Hurricane Dorian in the Bahamas, Virgin Trains partnered with Tropic Ocean Airways and all fire stations in Broward County to deliver supplies from our three stations directly to the impacted areas.

We anticipate issuing one or more series of Green Bonds to facilitate the achievement of the activities discussed above.

1. Use of Proceeds

The net proceeds of Virgin Train’s Green Bond issuances will be used to finance or refinance, in whole or in part, existing and future capital projects that provide environmental and social benefits to the regions served and support the achievement of environmental and social goals. It is expected that Green Bonds will typically be issued in connection with a specific Eligible Project and the use of proceeds will be governed by the financing documents specific to that issuance.

Eligible capital projects (Eligible Projects) that meet the Eligibility Criteria as described below will receive allocations of Green Bond issuances. Eligible Projects may include projects that have been completed by Virgin Trains (or its wholly owned subsidiaries) within 24 months preceding the date of the Green Bond Issuance.

Eligibility Criteria

Capital projects in the following categories will generally be considered eligible:

Eligible Category	Eligible Project Description
Clean Transportation	<ul style="list-style-type: none"> • Design, development, acquisition, construction, installation, equipping, ownership and operation of intercity passenger rail system and related stations and facilities • Electrification of rail system(s) • Maintenance of rolling stock and infrastructure for clean transportation • Infrastructure for “last mile” transportation options
Environmental Buildings	<ul style="list-style-type: none"> • New buildings or retrofitted existing buildings that meet regional or national third-party environmental certifications, such as Leadership in Energy and Environmental Design (LEED) at a minimum Gold standard, and/or other equivalent green building standards

The Company may amend this Framework from time-to-time to reflect changes in Eligible Projects based on the evolution of our business model and sustainable guidelines.

2. Project Evaluation and Selection

The selection of Eligible Projects is the responsibility of the Executive Leadership Team, consisting of our President and leaders of our finance, legal, asset management, public relations and human resources teams. Evaluating and screening projects is completed in consultation with the Company's rail operations, infrastructure and development teams. The decision as to the selection of Eligible Projects will be documented and maintained.

Virgin Trains will select Eligible Projects that meet the criteria for use of proceeds described above. Projects must also comply with all applicable laws and regulations, and the Company's policies and guidelines.

3. Management of Proceeds

Virgin Trains anticipates Green Bonds will be issued in connection with a specific Eligible Project and the use of proceeds will be governed by the financing documents specific to that issuance.

- The Company's Executive Leadership Team will be responsible for determining whether a project qualifies as an Eligible Project.
- Net proceeds from each Green Bond will be deposited in one or more separate Green Bond Proceeds designated bank account(s) and recorded separately in the Company's books and records to clearly track the use of such funds for qualifying expenditures on Eligible Projects.
- In most cases when such projects are underway or completed, proceeds from the Green Bonds issued by Virgin Trains or its subsidiaries will be directly applied to the Eligible Projects. This includes any Eligible Projects that have been funded by Virgin Trains or its subsidiaries within the 24 months preceding the date of any inaugural Green Bond issuance.
- In the case where projects are delayed, any portion of the net proceeds that do not represent reimbursement of previously expended funds can be temporarily held in the form of cash and cash equivalents in the above mentioned Green Bond Proceeds designated bank account or in the form of permitted investments (typically instruments backed by the full faith and credit of the US Government, obligations of governmental agencies and highly rated short-term commercial paper) in accordance with Green Bond issuance documents. These investments will be held in a separate Green Bond Proceeds designated investment account.
- Any interest and investment income earned on the above mentioned separately designated cash and investment accounts can be applied to defray costs incurred for the Eligible Project and/or any reasonable administration costs associated with the management and administration of the Green Bond program.
- Payment of principal and interest on Green Bond issuances for a specific Eligible Project will be made from the performance of such Eligible Project.

4. Reporting and Disclosure

The Company's Controllership team will coordinate the collective reporting requirements and, as long as there are outstanding Green Bonds issued under this Framework, provide an annual information report, which will be posted on the Company's website. Information in this report will include:

- a summary of the Company's Green Bond developments including existing and future projects;
- allocation of the net proceeds from the Green Bond into Categories and/or Eligible Projects and updates with respect to distribution of unspent net bond proceeds;
- project updates and status reports for Categories and/or Eligible Projects; and when appropriate,
- key performance indicators for the environmental benefits.

Key performance indicators on environmental benefits may include but not be limited to:

Eligible Category	Key Performance Indicators
Clean Transportation	<ul style="list-style-type: none"> • GHG emissions removed from roadways (tCO₂e) • Number of rail miles constructed • Number of rail miles in-service • Number of alternative last-mile transportation options available to passengers (e.g., electric or self-propelled scooters and bicycles) at stations and associated parking structures • Volume of low/no emission biodiesel used
Environmental Buildings	<ul style="list-style-type: none"> • List of eligible buildings that received third-party environmental certifications • Number of electric vehicles charging points installed • Number of available car-share parking spaces and bike-share stalls • Number of alternative last-mile transportation options available to passengers (e.g., electric or self-propelled scooters and bicycles) at eligible buildings