

SEABURY SECURITIES LLC and SEABURY INTERNATIONAL CORPORATE FINANCE LLC
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Ginger Hughes

*Financial Advisor and Investment Banker to the Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

AVIANCA HOLDINGS S.A., et al.,¹

Debtors.

Chapter 11

Case No. 20-11133 (MG)

(Jointly Administered)

**SUMMARY SHEET FOR THE FOURTH INTERIM AND FINAL FEE APPLICATION
OF SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE
FINANCE LLC FOR ALLOWANCE OF COMPENSATION FOR PROFESSIONAL
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS
FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS DURING
(I) THE FOURTH INTERIM COMPENSATION PERIOD OF JUNE 1, 2021 THROUGH
AND INCLUDING DECEMBER 1, 2021, AND (II) THE TOTAL COMPENSATION
PERIOD OF MAY 10, 2020 THROUGH DECEMBER 1, 2021**

¹ The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.



In accordance with the Local Bankruptcy Rules for the Southern District of New York (the “Local Bankruptcy Rules”), Seabury Securities LLC and Seabury International Corporate Finance LLC (collectively, “Seabury”), financial advisor and investment banker for the above-captioned debtors and debtors in possession (collectively, the “Debtors”), submits this summary (this “Summary”) of fees and expenses sought as actual, reasonable, and necessary in the fee application to which this Summary is attached (the “Application”) for the periods commencing (i) June 1, 2021 through and including December 1, 2021 (the “Fourth Interim Fee Period”) and (ii) May 10, 2020 through and including December 1, 2021 (the “Fee Period”). Seabury submits the Application in accordance with the Court’s *Modified Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 15, 2021 [Docket No. 2343] (the “Modified Interim Compensation Order”).

Basic Information	
Name of Applicant:	Seabury Securities LLC and Seabury International Corporate Finance LLC
Name of Client:	Avianca Holdings S.A. et al., as debtors and debtors in possession
Petition Date:	10-May-20
Date of Order Approving Employment and Retention:	June 9, 2020, <i>nunc pro tunc</i> to May 10, 2020
This Interim Application	
Time Period Covered:	June 1, 2021 to Dec 1, 2021
Total Fees Requested:	\$12,320,200.00
Total Expenses Requested:	\$10,899.10
Total Fees and Expenses Requested:	\$12,331,099.10
Final Application	
Time Period Covered:	May 10, 2020 to Dec 1, 2021

Total Fees Requested:	\$26,504,838.71
Total Expenses Requested:	\$28,127.61
Total Fees and Expenses Requested:	\$26,532,966.32
Historical - Fees and Expenses Paid During Fourth Interim Application Period	
Fees Paid Pursuant to Monthly Statements, Not Yet Allowed:	\$4,800,000.00
Fees Outstanding Pending Expiry Of Objection Period, Not Yet Allowed:	\$5,056,160.00
Expenses Paid Pursuant to Monthly Statements, Not Yet Allowed:	\$8,885.05
Expenses Outstanding Pending Expiry Of Objection Period, Not Yet Allowed:	\$2,014.05
Total Fees and Expenses Paid or Outstanding Pending Expiry of Objection Period, Fourth Interim Application Period:	\$9,867,059.10
Fees Held Back:	\$2,464,040.00
Historical - Prior Application Periods - Third Fee Application	
Fees Approved:	\$1,400,000.00
Expenses Approved:	\$17,228.51
Total Fees and Expenses Approved:	\$1,417,228.51
Approved and Allowed Amounts Paid:	\$1,137,228.51
Amounts Held Back:	\$280,000.00
Historical - Prior Application Periods - Second Fee Application	
Fees Approved:	\$10,679,800.00
Expenses Approved:	\$0.00
Total Fees and Expenses Approved:	\$10,679,800.00
Approved and Allowed Amounts Paid:	\$8,543,840.00
Amounts Held Back:	\$2,135,960.00
Historical - Prior Application Periods - First Fee Application	
Fees Approved:	\$2,104,838.71
Expenses Approved:	\$0.00
Total Fees and Expenses Approved:	\$2,104,838.71
Approved and Allowed Amounts Paid:	\$1,744,838.71
Amounts Held Back:	\$360,000.00

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SOUTHERN DISTRICT OF NEW YORK**

In re:

AVIANCA HOLDINGS S.A., et al.,¹

Debtors.

Chapter 11

Case No. 20-11133 (MG)

(Jointly Administered)

**FOURTH INTERIM AND FINAL FEE APPLICATION OF SEABURY SECURITIES
LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC FOR
ALLOWANCE OF COMPENSATION FOR PROFESSIONAL SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED AS FINANCIAL ADVISOR AND
INVESTMENT BANKER TO THE DEBTORS DURING (I) THE FOURTH INTERIM
COMPENSATION PERIOD OF JUNE 1, 2021 THROUGH AND INCLUDING
DECEMBER 1, 2021, AND (II) THE TOTAL COMPENSATION
PERIOD OF MAY 10, 2020 THROUGH DECEMBER 1, 2021**

¹ The Debtors in these chapter 11 cases, and each Debtor's federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Unión, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovías del Continente Americano S.A. Avianca (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Colombia S.A.S. (N/A); AV Investments Two Colombia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca-Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A); C.R. Int'l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Isleña de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaragüense de Aviación, Sociedad Anónima (Nica, S.A.) (N/A); Regional Express Américas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aéreo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de México, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors' principal offices are located at Avenida Calle 26 # 59 – 15 Bogotá, Colombia.

Seabury Securities LLC and Seabury International Corporate Finance LLC (collectively, “Seabury”), financial advisor and investment banker to Avianca Holdings S.A. and its above-captioned affiliates, as debtors and debtors in possession (collectively, the “Debtors”), hereby submits this application (the “Application”), pursuant to sections 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (as amended, the “Local Bankruptcy Rules”), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (the “Local Guidelines”), the United States Trustee Appendix B Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases, effective November 1, 2013 (the “U.S. Trustee Guidelines” and, together with the Local Guidelines, the “Guidelines”), and this Court’s *Modified Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 15, 2021 [Docket No. 2343] (the “Modified Interim Compensation Order”), for the allowance of compensation for professional services rendered by Seabury to the Debtors commencing (i) June 1, 2021 through and including December 1, 2021 (the “Fourth Interim Fee Period”) and (ii) May 10, 2020 through and including December 1, 2021 (the “Fee Period”), and reimbursement of actual and necessary expenses incurred by Seabury in connection with rendering such services during the Fourth Interim Fee Period.

Pursuant to the Guidelines, Seabury submits the declaration of Ginger Hughes, a Seabury Managing Director (the “Hughes Declaration”), regarding Seabury’s compliance with the

Guidelines, which is attached hereto as Exhibit A and is incorporated herein by reference. In further support of this Application, Seabury respectfully represents as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2).

2. The bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, Local Bankruptcy Rule 2016-1(a), and the Interim Compensation Order.

Background

3. On May 10, 2020 (the “Initial Petition Date”), certain of the Debtors (the “Initial Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Initial Chapter 11 Cases”). On September 21, 2020 (together with the Initial Petition Date, as applicable to each Debtor, the “Petition Date”), each of AV Loyalty Bermuda Ltd. and Aviacorp Enterprises S.A. (collectively, the “Subsequent Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Subsequent Chapter 11 Cases” and together with the Initial Chapter 11 Cases, the “Chapter 11 Cases”).

4. On May 22, 2020, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “Committee”). See Notice of Appointment of Official Committee of Unsecured Creditors [Docket No. 154]. No trustee or examiner has been appointed in these cases.

5. Additional information regarding the Debtors’ business, capital structure, and the circumstances leading to the filing of these cases is set forth in the Declaration of Adrian

Neuhauser in Support of the Debtors' Chapter 11 Petitions and First Day Orders [Docket No. 20].

6. On October 24, 2021, the Debtors filed their *Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and its Affiliated Debtors* [Docket No. 2259] (the "Plan"). On November 2, 2021, the Court entered the *Order (I) Confirming Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors and (II) Granting Related Relief* [Docket No. 2300]. The Effective Date (as such term is defined in the Plan) of the Plan occurred on December 1, 2021. *See Notice of (I) Entry of Order Confirming Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors, (II) Occurrence of Effective Date, and (III) Final Deadlines for Filing Certain Claims* [Docket No. 2384].

Case Status

7. Seabury played an essential role in advising the Debtors through an extraordinarily complex chapter 11 case, which culminated in the confirmation of the Plan. Seabury professionals, together with the Debtors' other professionals, secured the Debtors' successful emergence from chapter 11 on December 1, 2021, which allowed the Debtors to emerge from bankruptcy protection as a stronger company, poised for future success.

8. Seabury is proud of its contributions to the success of these cases. During the Fee Period, Seabury helped the Debtors' transition into chapter 11, advised on all major strategic restructuring initiatives, helped develop the key components of the business plan, lead the fleet restructuring as well as helped raise both the DIP financing necessary to fund the Debtors' operations during these chapter 11 proceedings and permanent exit financing to put the Debtors on strong financial footing.

9. Confirmation of the Plan followed substantial efforts to finalize the transactions contemplated by the Plan and was a tremendous success for the Debtors and all stakeholders. The Plan provides for a comprehensive restructuring of the Debtors' balance sheet by eliminating approximately \$3.0 billion of debt, significantly reduces operating and fleet ownership cost and complexity, and ensures a significant investment of new capital in the Reorganized Debtors' business. The transactions contemplated by the Plan position the Debtors to emerge from chapter 11 as a going-concern able to meet their long-term strategic goals and execute their business plan.

10. Seabury's efforts to advise and serve as financial advisor and investment banker to the Debtors during the Fee Period, including the Fourth Interim Compensation Period, were necessary and of substantial benefit to the Debtors. The professional services performed and expenses incurred were actual and necessary to preserve and protect the value of the Debtors' estates. In light of the complexity of these cases and the extraordinary results achieved, Seabury's charges for professional services performed and expenses incurred are more than reasonable under applicable standards. Seabury respectfully requests that the Court grant the Application and allow interim and final compensation for professional services performed and reimbursement for expenses incurred as requested.

Retention of Seabury

11. On June 9, 2020 the Court issued the Order Authorizing Employment and Retention of Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker for Debtors and Debtors in Possession Nunc Pro Tunc to Petition Date [Docket No. 262] (the "Retention Order"), authorizing the Debtors to employ and retain Seabury as their advisor effective as of the Petition Date.

12. On June 9, 2020, the Court entered the Interim Compensation Order, which approved certain compensation procedures for these cases (the “Compensation Procedures”). Pursuant to the Compensation Procedures, retained professionals are authorized to serve monthly fee statements (each, a “Monthly Statement”) on or before the 30th day of each month following the month for which compensation is sought or as soon thereafter as practicable. Provided that no objection to a Monthly Statement is raised, the Debtors are authorized to pay such professionals an amount equal to eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in such Monthly Statement.

13. In addition, the Compensation Procedures provide that, beginning with the period ending on September 30, 2020, retained professionals are authorized to file interim applications with the Court for the allowance of compensation and reimbursement of expenses sought in the monthly fee statements submitted during the applicable Interim Fee Period (as defined in the Interim Compensation Order). Upon allowance by the Court of a professional’s interim fee application, the Debtors are authorized to promptly pay such professional all unpaid fees and expenses for the applicable Interim Fee Period.

Summary of Compliance with Interim Compensation Order

14. This Fee Application has been prepared in accordance with the Modified Interim Compensation Order and Article II.C of the Plan.

A. The Fourth Interim Fee Period

15. Seabury requests an aggregate award for professional services rendered to the Debtors during the Fourth Interim Fee Period in the amount of \$12,320,200.00 and reimbursement of actual and necessary expenses incurred in connection with providing such services in the amount of \$10,899.10.

16. Pursuant to the terms of the Modified Interim Compensation Order, Seabury served six Monthly Statements for the services rendered and expenses incurred during the Fourth Interim Fee Period as follows:

Docket No.	Period Covered by Monthly Statement	Total Fees Requested	Total Expenses Requested	Objection Deadline	Total Amounts Received or Pending Expiry of Objection Period	Total Amounts Outstanding
Docket No. 2012	Jun 1, 2021 – Jun 30, 2021	\$350,000.00	\$0.00	Aug 31, 2021	\$280,000.00	\$70,000.00
Docket No. 2140	Jul 1, 2021 – Jul 31, 2021	\$350,000.00	\$0.00	Oct 1, 2021	\$280,000.00	\$70,000.00
Docket No. 2295	Aug 1, 2021 – Aug 31, 2021	\$4,600,000.00	\$8,165.63	Nov 13, 2021	\$3,688,165.63	\$920,000.00
Docket No. 2401	Sep 1, 2021 – Sep 30, 2021	\$350,000.00	\$0.00	Dec 28, 2021	\$280,000.00	\$70,000.00
Docket No. 2402	Oct 1, 2021 – Oct 31, 2021	\$350,000.00	\$719.42	Dec 28, 2021	\$280,719.42	\$70,000.00
Docket No. 2463	Nov 1, 2021 – Dec 1, 2021	\$6,320,200.00	\$2,014.05	Feb 2, 2022	\$5,057,345.85 pending expiry of objection period	\$1,264,040.00 pending expiry of objection period
Total		\$12,320,200.00	\$10,899.10		\$9,867,059.10	\$2,464,040.00

17. No objections to the Monthly Statements were made, and Seabury subsequently received a total of \$9,856,160.00 for professional services provided to the Debtors during the Fourth Interim Fee Period and \$10,899.10 for expenses incurred in connection therewith.² These amounts represent 80% of Seabury's fees and 100% of Seabury's out-of-pocket expenses incurred during the Fourth Interim Fee Period.

B. The Fee Period

18. Seabury seeks final allowance and approval of compensation for professional services rendered to the Debtors during the Fee Period in the aggregate amount of \$26,504,838.71 and reimbursement of actual and necessary expenses incurred in connection with

² The Modified Interim Compensation Order provides that each Notice Party (as defined in the Interim Compensation Order) has 15 days to review the Monthly Statements. As of the date hereof, the objection period for Seabury's November 2021 Monthly Statement remains pending and Seabury has not received interim payment on account of its November 2021 Monthly Statement.

such services in the aggregate amount of \$28,127.61, for a total allowance of \$26,532,966.32. To date, pursuant to the Modified Interim Compensation Order, Seabury has received total payment of \$21,264,838.71 for the services rendered to the Debtors and \$28,127.61 for related expenses during the Fee Period.³

Relief Requested

19. On November 13, 2020, Seabury filed its *Summary Sheet for First Interim Application of Seabury Securities LLC and Seabury International Corporate Finance LLC for Allowance of Interim Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred as Financial Advisor and Investment Banker to the Debtors from May 10, 2020 Through and Including September 30, 2020* [ECF No. 1174] (the “First Interim Fee Application”). On December 17, 2020, this Court entered the Omnibus Order Granting Fee Applications of Professionals for Allowance and Payment of Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses [ECF No. 1278] (the “First Interim Fee Order”) granting Seabury’s First Interim Fee Application, authorizing fees of \$2,104,838.71 for services during the period May 10, 2020 through September 30, 2020, inclusive of 20% of fees held back.

20. On March 17, 2021, Seabury filed its *Second Interim Application of Seabury Securities LLC and Seabury International Corporate Finance LLC for Allowance of Interim Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred as Financial Advisor and Investment Banker to the Debtors from October 1, 2020 Through and*

³ These amounts reflects the 20% holdback on fees for the Fee Period, and include fees and expenses filed as part of Seabury’s November 2021 Monthly Statement. As of the date hereof, the objection period for Seabury’s November 2021 Monthly Statement remains pending and Seabury has not received interim payment on account of its November 2021 Monthly Statement.

Including January 31, 2020 [ECF No. 1471] (the “Second Interim Fee Application”). On December 17, 2020, this Court entered the *Omnibus Order Granting Fee Applications of Professionals for Allowance and Payment of Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses* [ECF No. 1599] (the “Second Interim Fee Order”) granting Seabury’s Second Interim Fee Application, authorizing fees of \$10,679,800.00 for services during the period October 1, 2020 through January 31, 2021, inclusive of 20% of fees held back.

21. On July 15, 2021, Seabury filed its *Third Interim Application of Seabury Securities LLC and Seabury International Corporate Finance LLC for Allowance of Interim Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred as Financial Advisor and Investment Banker to the Debtors from February 1, 2021 Through and Including May 31, 2021* [ECF No. 1896] (the “Third Interim Fee Application”). On August 19, 2021, this Court entered the *Omnibus Order Granting Fee Applications of Professionals for Allowance and Payment of Compensation for Professional Services Rendered and for Reimbursement of Actual and Necessary Expenses* [ECF No. 2038] (the “Third Interim Fee Order”) granting Seabury’s Third Interim Fee Application authorizing fees of \$1,400,000.00 for services during the period February 1, 2021 through May 31, 2021, inclusive of 20% of fees held back, and payment of 17,228.51 for expenses.

22. In this Fourth Interim Fee Application, Seabury respectfully requests entry of an order, allowing on an interim basis, (a) compensation for the actual, reasonable and necessary professional services that Seabury has rendered to the Debtors in the amount of \$9,867,059.10 , which represents expenses and 80% of fees for services rendered in the Fourth Interim Application Period, comprised of \$1,680,000.00 of monthly retainers, (b) 8,176,160.00 in

Success Fees, and (c) reimbursement for the actual, reasonable and necessary expenses incurred during the Fourth Interim Application Period in the amount of \$10,899.10. The remaining \$2,464,040.00, representing 20% of Seabury's fees for the services rendered, shall be held back until further order of the court.

23. In accordance with the Interim Compensation Order, the Debtors have paid Seabury, or are due to pay following expiry of the objection period, \$21,292,966.32 for the Fee Period (\$21,264,838.71 of which represents the Seabury's fees for services rendered during the First, Second, Third, and Fourth Interim Fee Application Periods that were not held back, and \$28,127.61 of which is for full reimbursement of expenses). In accordance with the First Interim Fee Order, Second Interim Fee Order, Third Interim Fee Order, and Interim Compensation Order, the remaining \$5,240,000.00 represents the portion of Seabury's fees held back until further order of the court. By this Final Application, Seabury requests relief of this remaining amount held back.

24. All services during the Fourth Interim Application Period and the Fee Period for which compensation is requested by Seabury were performed for or on behalf of the Debtors. Additionally, Seabury has not received any payment or promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with matters covered by this Application. A certification confirming Seabury's compliance with the Fee Guidelines is annexed hereto as **Exhibit A**.

25. In accordance with the Guidelines, the following exhibits are attached to this Application:

- a. **Exhibit B** is a schedule specifying the categories of actual, necessary expenses for which Seabury is seeking reimbursement and the total amount for each such expense category.

- b. **Exhibit C** is a summary of the number of hours billed by Seabury during the Fourth Interim Application Period, and during the Fee Period, organized by project categories.
- c. **Exhibit D** is a summary of the number of hours billed by Seabury during the Fourth Interim Application Period, and during the Fee Period, organized by professional
- d. **Exhibit E** is a summary of the Success Fees due during the Fourth Interim Application Period, and during the Fee Period
- e. **Exhibit F** is Seabury's engagement letter, dated August 10, 2020 [ECF No. 696]

26. In the Declaration of Ginger Hughes of Seabury in Support of the Application of the Debtors to Employ and Retain Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker for the Debtors, dated June 5, 2020 (collectively the "Hughes Declaration") [ECF No. 0232], Seabury disclosed that as of the date thereof, it held a deposit equal to \$900,000.00. Such deposit has since been exhausted by the amounts owing from the First Interim Fee Application Period.

27. In this Final Application, Seabury is requesting entry of an order (a) granting final allowance of (i) compensation for the actual, reasonable and necessary professional services rendered to the Debtors in the amount of \$26,504,838.71 and (ii) the actual, reasonable and necessary out-of-pocket expenses incurred in the amount of \$28,127.61; and (b) authorizing the Reorganized Debtors to pay Seabury any allowed but unpaid amounts.

Summary of Services

28. During the Fee Period, Seabury rendered substantial professional services in furtherance of the Debtors' reorganization efforts and chapter 11 cases.

29. During the Fee Period, with Seabury's advice and assistance, the Debtors:
- a. Secured and obtained approval of \$2 billion in debtor-in-possession financing in a highly complex transaction, which involved comprehensive negotiations with various key constituencies, and later in the case obtained additional DIP financing with new "DIP-to-exit" loans

- b. Secured additional collateral necessary for the DIP financing, negotiated a securities purchase agreement with an affiliate of Advent International for the purchase of its 30% minority equity stake in LifeMiles Ltd., Avianca's loyalty program, and negotiated with existing senior-secured stakeholders to release collateral and roll existing obligations into a subordinated position in the DIP facility
- c. Successfully marketed and obtained equity-based and debt-based exit financing
- d. Developed a comprehensive business plan for the Debtors' restructured business, including significant changes to the fleet, network, and cost structure
- e. Negotiated new leases with aircraft counterparties to right-size the Debtors' fleet, significantly reduce ongoing fleet costs, and reduce fleet-related balance sheet liabilities by approximately \$2 billion
- f. Rejected and assumed multiple contracts and leases, allowing the Debtors to implement their business plan, streamline their operations, and position them for sustained success
- g. Negotiated with multiple key vendors, securing new long term contracts on improved terms
- h. Supported transparent and regular communications with the Debtors' various constituents, including its Unsecured Creditors Committee;
- i. Negotiated, drafted, and obtained Court approval of the Plan and Disclosure Statement; and
- j. Secured a successful emergence from bankruptcy protection.

30. The following is a summary of these professional services rendered by Seabury during the Fourth Interim Application Period and the Fee Period. **Exhibit C** provides a detailed breakdown of the time devoted to each project category.

(a) Fleet

Fourth Interim Application Period hours expended by Seabury: 2,723.0
Fee Period hours expended by Seabury: 8,437.0

Time spent in this category includes:

- Assessing the Debtor's future fleet and evaluating multiple fleet scenarios
- Assisting with the Debtor's aircraft fleet restructuring and counterparty negotiations
- Conducting a broad market solicitation for sale-leaseback proposals on a large portfolio of aircraft, and negotiations with counterparties to secure the most favorable terms
- Advising the Debtor in aircraft return procedures

(b) Financing

Fourth Interim Application Period hours expended by Seabury: 1,231.0
Fee Period hours expended by Seabury: 7,448.0

Time spent in this category includes:

- Attending calls with DIP lenders
- Fielding due diligence requests from DIP lenders
- Coordinating DIP compliance
- Evaluating exit financing opportunities
- Meeting with the Debtors' Advisory Board and Independent Equity Committee regarding exit financing
- Soliciting and negotiating exit financing options
- Manage data room access and NDA's for lenders and equity participants

(c) Business Analysis

Fourth Interim Application Period hours expended by Seabury: 546.5
Fee Period hours expended by Seabury: 2,277.0

Time spent in this category includes:

- Development and maintenance of a long-range financial forecast model, including scenario analysis, to support the development of a new business plan

- Development of multiple other ad-hoc financial and operational models for the evaluation of different business-plan scenarios
- Analysis of financial impact of various business scenarios
- Analysis of short-term liquidity
- Assisting the Debtors with preparation and analysis of the 13-week cash forecast

(d) Case Management

Fourth Interim Application Period hours expended by Seabury: 200.0
Fee Period hours expended by Seabury: 890.0

Time spent in this category includes:

- Coordinating case activities with other advisors and the Debtors
- Attending court hearings
- Regular briefings with the Debtor's management team and other advisors

(e) Restructuring Strategy / Execution

Fourth Interim Application Period hours expended by Seabury: 174.5
Fee Period hours expended by Seabury: 874.0

Time spent in this category includes:

- Discussions, analysis and negotiations related to non-aircraft debt restructuring
- Strategy discussions with Debtor senior executives and the board of directors

(f) Creditors

Fourth Interim Application Period hours expended by Seabury: 166.0
Fee Period hours expended by Seabury: 768.5

Time spent in this category includes:

- Communicating and / or meeting with the Official Committee of Unsecured Creditors and their advisors

- Preparation of materials and support of diligence carried out by advisors to the Official Committee of Unsecured Creditors
- Negotiating with the Official Committee of Unsecured Creditors with respect to the Plan

(g) Plan and Disclosure Statement

Fourth Interim Application Period hours expended by Seabury: 290.5

Fee Period hours expended by Seabury: 421.5

Time spent in this category includes:

- Working with the Debtors and other advisors on matters related to the Plan and Disclosure Statement

(h) Vendor management

Fourth Interim Application Period hours expended by Seabury: 0.5

Fee Period hours expended by Seabury: 319.5

Time spent in this category includes:

- Working with the Debtors and counsel to respond to vendor questions and requests

(i) Fee / Employment

Fourth Interim Application Period hours expended by Seabury: 25.0

Fee Period hours expended by Seabury: 166.5

Time spent in this category includes:

- Discussions with the Debtors and counsel to the Debtors with respect to retention matters
- Preparation of Seabury's disclosures
- Preparation and review of fee statements and fee applications
- Attending hearings regarding fee applications

(j) Contract Optimization

Fourth Interim Application Period hours expended by Seabury: 41.0

Fee Period hours expended by Seabury: 141.5

Time spent in this category includes:

- Analyzing existing contracts and negotiating with vendors
- Organizing and advising on process for evaluation of executory contracts
- Negotiating with counterparties regarding key executory contracts

(k) Non-working Travel

Fourth Interim Application Period hours expended by Seabury: 5.0

Fee Period hours expended by Seabury: 62.0

Time spent in this category includes:

- Non-working travel time related to Seabury's services on behalf of the Debtors

(l) Claims

Fourth Interim Application Period hours expended by Seabury: 7.5

Fee Period hours expended by Seabury: 8.0

Time spent in this category includes:

- Calls to discuss claims status and process with aircraft counterparties
- Analysis of aircraft related claims

31. The foregoing professional services performed by Seabury were necessary and appropriate to the administration of these cases. The professional services performed by Seabury were in the best interests of the Debtors and the other parties in interest. Compensation for the foregoing services, as requested, is commensurate with the complexity, importance and nature of the problems, issues or tasks involved. The professional services were performed in an expeditious and efficient manner.

32. As noted, attached hereto in **Exhibit D** is a listing of each Seabury professional who performed services in these cases during the Fee Period and the aggregate number of hours by each such individual.

Basis for Relief

33. Section 331 of the Bankruptcy Code provides for interim compensation for services rendered and reimbursement of expenses in chapter 11 cases and incorporates the substantive standards of section 330 to govern the award of such compensation.

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . or for reimbursement for expenses . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

34. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person “reasonable compensation for actual, necessary services rendered[.]” Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;

- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

35. Seabury respectfully submits that the services provided by its professionals on behalf of the Debtors during the Fee Period were necessary and appropriate given the relevant factors set forth in section 330 of the Bankruptcy Code, *i.e.*, the complexity of these cases, the time expended, the nature and extent of the services provided, the value of such services, and the cost of comparable services outside of bankruptcy. Accordingly, Seabury respectfully submits that approval of the compensation and reimbursement of expenses sought herein is warranted.

Reservation of Rights

36. Although every effort has been made to include all fees and expenses incurred during the Fee Period, some fees and expenses might not be included in this Application due to delays in connection with accounting and processing of such fees and expenses. Accordingly, Seabury reserves the right to make further application to this Court for the allowance of additional fees and expenses incurred during the Fee Period that are not included herein

Notice

37. Notice of this Application will be provided in accordance with the procedures set forth in the *Order Implementing Certain Notice and Case Management Procedures* [Docket No. 47]. The Debtors respectfully submit that no further notice is required.

No Prior Request

38. Except for prior fee statements and interim fee applications, no previous request for the relief sought herein has been made by Seabury to this or any other Court

CONCLUSION

WHEREFORE, Seabury respectfully requests that the Court enter an order (i) approving this Application; (ii) providing that the sum of \$26,504,838.71 as Seabury's compensation for reasonable and necessary professional services rendered to the Debtors and the sum of \$28,127.61 for reimbursement of actual and necessary costs and expenses incurred by Seabury, for a total of \$26,532,966.32 be allowed on a final basis; (iii) authorizing and directing the Reorganized Debtors to pay Seabury any allowed but unpaid fees and expenses; and (iv) granting such other relief as the Court deems proper and just.

Dated: New York, New York
January 18, 2022

By: /s/ Ginger Hughes
Ginger Hughes

SEABURY SECURITIES LLC
SEABURY INTERNATIONAL CORPORATE FINANCE LLC
1350 Avenue of the Americas
31st Floor
New York, NY 10019
Telephone: (212) 284-1150

*Financial Advisor and Investment Banker to the Debtors
and Debtors in Possession*

EXHIBIT A

SEABURY SECURITIES LLC and SEABURY INTERNATIONAL CORPORATE FINANCE LLC
1350 Avenue of the Americas
31st Floor
New York, NY 10019
Telephone: (212) 284-1150
Ginger Hughes

*Financial Advisor and Investment Banker to the Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

AVIANCA HOLDINGS S.A., *et al.*,¹

Debtors.

Chapter 11

Case No. 20-11133 (MG)

(Jointly Administered)

VERIFICATION

I, Ginger Hughes, make this declaration pursuant to 28 U.S.C. § 1746 and state as follows:

39. I am a Managing Director at Seabury International Corporate Finance LLC and its FINRA-regulated broker-dealer affiliate, Seabury Securities LLC (collectively, “Seabury”). Seabury has acted as financial advisor and investment banker on behalf of the Debtors.

40. This verification is submitted pursuant to Bankruptcy Rule 2016 in connection with Seabury's Application, dated January 18, 2022, for final compensation and reimbursement of expenses for the period commencing May 10, 2020 through and including December 1, 2021 in accordance with the Fee Guidelines (the “Application”).

41. To the best of my knowledge, information and belief, the statements contained in the Application are true and correct. In addition, I believe that the Application complies with Local Bankruptcy Rule 2016-1(a) and the Local Fee Guidelines.

42. In connection therewith, I hereby certify that:

- a. To the best of my knowledge, information and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application are permissible under the relevant rules, court orders, and Bankruptcy Code provisions, except as specifically set forth herein;
- b. Except to the extent disclosed in the Application, the fees and disbursements sought in the Application are billed at rates in accordance with practices customarily employed by Seabury and generally accepted by Seabury's clients;
- c. In providing a reimbursable service, Seabury does not make a profit on that service, whether the service is performed by Seabury in-house or through a third party;
- d. In accordance with Rule 2016(a) of the Federal Rules of Bankruptcy Procedure and 11 U.S.C. § 504, no agreement or understanding exists between Seabury and any other person for the sharing of compensation to be received in connection with the above-captioned cases; and
- e. All services for which compensation is sought were professional services on behalf of the Debtors and not on behalf of any other person.

43. In accordance with the Local Guidelines and as required by the Interim Compensation Order, I certify that Seabury has complied with the provisions requiring it to provide the Debtors and the Committee with a statement of Seabury's fees and expenses accrued during the previous month.

44. In accordance with the Local Guidelines, I certify that the Debtors, the U.S. Trustee and the Committee are each being provided with a copy of the Application.

Dated: New York, New York
January 18, 2022

By: /s/ Ginger Hughes
Ginger Hughes

SEABURY SECURITIES LLC
SEABURY INTERNATIONAL CORPORATE FINANCE LLC
1350 Avenue of the Americas
31st Floor
New York, NY 10019
Telephone: (212) 284-1150

*Financial Advisor and Investment Banker to the Debtors
and Debtors in Possession*

EXHIBIT B

**ACTUAL AND NECESSARY EXPENSES INCURRED BY SEABURY SECURITIES LLC AND
SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON BEHALF OF THE DEBTORS
DURING THE FOURTH INTERIM APPLICATION PERIOD**

Expense Type	Amount
Data	8,165.63
Airfare	302.81
Lodging	1,763.33
Meals	91.86
Transport	<u>575.47</u>
Total	10,899.10

**ACTUAL AND NECESSARY EXPENSES INCURRED BY SEABURY SECURITIES LLC AND
SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON BEHALF OF THE DEBTORS
DURING THE FEE PERIOD**

Expense Type	Amount
Data	16,331.26
Airfare	3,145.51
Lodging	5,250.80
Transport	1,364.80
Meals	1,056.30
Communications	944.14
Mileage	<u>34.80</u>
Total	28,127.61

EXHIBIT C

SUMMARY OF HOURS SPENT DURING THE FOURTH INTERIM APPLICATION PERIOD BY SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON BEHALF OF THE DEBTORS, ORGANIZED BY PROJECT CATEGORY

Project Category	Hours
Fleet	2,723.0
Financing	1,231.0
Business analysis	546.5
Plan and DS	290.5
Case management	200.0
Restructuring strategy / execution	174.5
Creditors	166.0
Contract Optimization	41.0
Fee / employment	25.0
Claims	7.5
Non-working travel	5.0
Vendor management	0.5
	5,410.5

SUMMARY OF HOURS SPENT DURING THE FEE PERIOD BY SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON BEHALF OF THE DEBTORS, ORGANIZED BY PROJECT CATEGORY

Project Category	Hours
Fleet	8,437.0
Financing	7,448.0
Business analysis	2,277.0
Case management	890.0
Restructuring strategy / execution	874.0
Creditors	768.5
Plan and DS	421.5
Vendor management	319.5
Fee / employment	166.5
Contract Optimization	141.5
Non-working travel	62.0
Claims	8.0
	21,813.5

EXHIBIT D

**SUMMARY OF HOURS SPENT DURING THE FOURTH INTERIM APPLICATION PERIOD BY
SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON
BEHALF OF THE DEBTORS, ORGANIZED BY PROFESSIONAL**

Professional	Title	Billable Hours
John Luth	Chairman, President & CEO	549.5
Ginger Hughes	Managing Director	620.5
Layne Grindal	Managing Director	931.5
Ken Raff	Executive Director	166.0
Neal Wesson	Executive Director	110.5
Ross McKenzie	Executive Director	373.0
AJ Issenman	Vice President	133.5
Steve Tesoro	Vice President	656.5
Derek Brand	Senior Associate	925.5
Theo Kitsanelis	Senior Associate	212.0
Jack Joyce	Associate	376.0
Cody Kleiman	Associate	256.0
Tyler Wypiszenki	Senior Analyst	100.0
Total Hours		5,410.5

**SUMMARY OF HOURS SPENT DURING THE FEE PERIOD BY
SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC ON
BEHALF OF THE DEBTORS, ORGANIZED BY PROFESSIONAL**

Professional	Title	Billable Hours
John Luth	Chairman, President & CEO	2,104.0
Mike Cox	Senior Managing Director	4.5
Patrick Dowling	Senior Managing Director	52.0
Ginger Hughes	Managing Director	2,676.0
Layne Grindal	Managing Director	3,042.0
Oliver Althoff	Managing Director	42.5
Stacey Wilson	Managing Director	0.5
Stephan Krastev	Managing Director	6.0
Ken Raff	Executive Director	730.5
Neal Wesson	Executive Director	1,470.5
Ross McKenzie	Executive Director	1,929.0
AJ Issenman	Vice President	1,493.5
Steve Tesoro	Vice President	1,465.0
Derek Brand	Senior Associate	3,798.0
Theo Kitsanelis	Senior Associate	463.5
Jack Joyce	Associate	604.0
Cody Kleiman	Associate	256.0
Tyler Wypiszenki	Senior Analyst	100.0
Brendan Dobbin	Senior Analyst	1,576.0
Total Hours		21,813.5

EXHIBIT E

CALCULATION OF TOTAL FEES

Total Case Fees - Summary					Fee (US\$)
Retainer Fees					7,004,839
Net Success Fees					19,500,000
Total					\$ 26,504,839

Retainer Fees - Detail:		Monthly Fee	Months	Fee (US\$)	
Through Sep 30, 2020		450,000	4.7	2,104,839	
From Oct 1, 2020 through Dec 1, 2021		350,000	14.0	4,900,000	
Total Retainer Fees				\$ 7,004,839	

Gross Success Fees - Detail:		Amount	Fee %	Discount	Net Fee %	Fee (US\$)
Restructuring Fee						6,500,000
Success Fee for Original DIP Loan, dated as of Oct 13, 2020						
Tranche A New Money		881,000,000	2.50%	90.00%	0.25%	2,202,500
Tranche B New Money						
New Investors		295,000,000	2.50%	—	2.50%	7,375,000
Existing Stakeholders		40,920,000	2.50%	90.00%	0.25%	102,300
Tranche B New Money Total		335,920,000				7,477,300
Total Success Fees for Original DIP Loan		1,216,920,000				9,679,800
Success Fee for DIP-to-Exit Loan, dated as of August 27, 2021						
		170,000,000	2.50%		2.50%	4,250,000
Total DIP Success Fees						13,929,800
Exit Debt Success Fee		1,600,000,000	1.50%		1.50%	24,000,000
less credit for 50% of DIP Loan Fees		13,929,800	50.00%		50.00%	(6,964,900)
Net Exit Debt Success Fees						17,035,100
Equity Success Fee						
Additional Equity		200,000,000				
First US\$ 100,000,000 (3.5% fee)		100,000,000	3.50%	-	3.50%	3,500,000
Remaining Additional Equity		100,000,000	2.50%		2.50%	2,500,000
Total Equity Success Fees		200,000,000				6,000,000
M&A Success Fee						
Advent Transaction		200,000,000	0.25%	0.00%	0.25%	500,000
Total M&A Success Fees		200,000,000				500,000
(less) Retainer Credits (50% of 4 months)						(900,000)
Total Success Fees (gross)						\$ 43,064,900

Success Fee Cap:	Amount
Success Fee Cap	13,000,000
Success Fee Cap Adjustment of lesser of:	
(A) 50% of Equity Success Fee + DIP Fee related to portion of DIP that converts + M&A Fees	
Equity Success Fee	6,000,000
DIP Fee related to portion of DIP that converts	7,477,300
M&A Fees	500,000
Subtotal	13,977,300
x 50%:	6,988,650
(B) 50% of Success Fee Cap	6,500,000
Success Fee Cap Adjustment of the lesser of (A) and (B)	6,500,000
Adjusted Success Fee Cap	\$ 19,500,000

Fee Period Net Success Fees:	Amount
Total Success Fees (gross)	43,064,900
Adjusted Success Fee Cap	19,500,000
Net Success Fees	\$ 19,500,000
Success Fees approved in previous fee applications	9,279,800
Success Fees - Fourth Interim Application Period	\$ 10,220,200

EXHIBIT F

**ENGAGEMENT LETTER FOR
SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC
AS INVESTMENT BANKER AND FINANCIAL ADVISOR TO THE
DEBTORS AND DEBTORS IN POSSESSION**

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August 10, 2020

Milbank LLP
55 Hudson Yards
New York, NY 10001-2163

Attention: Mr. Evan Fleck

*Re: Amended & Restated Investment Banking & Financial Advisory Engagement for Restructuring
Avianca Group*

Dear Mr. Fleck:

We are pleased to provide under this agreement (this "**Agreement**") the terms and conditions under which Seabury Securities LLC, a FINRA-regulated broker-dealer, and Seabury International Corporate Finance LLC, together with one or more of their affiliates (collectively, "**Seabury**"), will serve as a financial advisor and investment banker to Milbank, LLP ("**Counsel**") as counsel to Avianca Holdings, S.A. and the subsidiaries and affiliates that are signatories hereto (collectively, "**Avianca**" or the "**Company**"), with respect to the restructuring of the Company. This Agreement confirms the agreement of the Company to perform its obligations and make applicable acknowledgements as set forth herein. For purposes hereof, the term "**Company**" shall include any entity that the Company may form or invest in to consummate a restructuring.

This Agreement amends and restates the engagement letter between the parties hereto dated April 22, 2020 and sets forth below and, in any schedules, or annexes hereto the terms and conditions under which Seabury shall provide the services described in Section 1 to the Company.

Section 1. Services

At the direction of Counsel, Seabury shall provide the Company with advice and assistance (the "**Services**") as follows:

- A. assist in the evaluation of the Company's businesses and prospects;
- B. assist in the development of the Company's long-term business plan and related financial projections;
- C. assist in the development of financial data and presentations to the Company's board of directors, various creditors and other third parties, inclusive, in the case of a court-supervised restructuring, managing daily interactions with any official committee of the unsecured creditors or any other such creditor or stakeholder group;
- D. analyze the Company's financial liquidity and evaluate alternatives to improve such liquidity;
- E. assist in managing the Company's relationships with certain major vendors as a means of

Seabury Securities LLC

Member: FINRA / SIPC

Seabury International Corporate Finance LLC

1350 Avenue of the Americas, 31st Floor

New York, NY 10019

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minimizing cash requirements leading up to, as well as during, reorganization while maintaining continuity of operations;

- F. evaluate the Company's debt capacity and alternative capital structures;
- G. analyze various restructuring scenarios and make recommendations with respect to the same to the Company's management and board of directors;
- H. provide strategic advice with regard to restructuring and/or refinancing initiatives and activities;
- I. assist with the restructuring and/or refinancing of aircraft debt and lease obligations, as necessary under the revised business plan;
- J. assist with the restructuring and/or refinancing of any material non-aircraft debt and lease obligations as necessary under the revised business plan;
- K. participate in any other negotiations with the Company's creditors, major suppliers, lenders, lessors, OEMs and other interested parties as necessary to effectuate the successful restructuring of the business, including assisting the Company and its legal advisors in drawing up a plan of reorganization (the "**Plan of Reorganization**") and related disclosure statement (the "**Disclosure Statement**");
- L. assist in such areas as court testimony on matters that are within the scope of this engagement and within Seabury's area of testimonial competency;
- M. assist the Company in soliciting and structuring any form of governmental support that may be potentially available to the Company, whether in the context of an out-of-court process, and/or through a court-supervised restructuring ("**Governmental Support**");
- N. if needed, assist the Company, through a competitively run process, to secure additional cash liquidity in an out-of-court process, or, in the context of a court-supervised process, secure debtor-in-possession financing ("**DIP Loan Transaction**");
- O. if needed, assist the Company in securing new sources of permanent debt and/or equity financing either out-of-court, or as exit financing in a court-supervised restructuring ("**Debt Financing Transaction**");
- P. in the event of any possible merger, acquisition, divestiture, or asset sale, assist the Company in conducting due diligence, negotiating agreements and executing such an M&A transaction (an "**M&A Transaction**"); and
- Q. if needed, assist the Company with employee compensation concerns, including by (i) preparing an overview of the objectives, alternatives and process for designing and implementing cash and equity-based incentives for employee compensation, (ii) articulating objects and plan design parameters including eligibility, target payouts, performance metrics and payout timing, and (iii) defining a process for selecting participants and develop a communication and implementation plan.

Any services beyond those described above shall be subject to a separate written agreement.

Section 2. Compensation.

The Company agrees to pay to Seabury the following compensation:

- A. **Retainer Fees.** Monthly retainer fees equal to FOUR HUNDRED AND FIFTY THOUSAND US DOLLARS (US\$450,000.00), prorated from March 15, 2020, and payable upon execution

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of this agreement for March and April, SIX HUNDRED AND SEVENTY-FIVE THOUSAND US DOLLARS (US\$675,000.00), and on the first business day of May each consecutive month thereafter (the “**Retainer Fees**”), **provided, however**, such Retainer Fees shall step down to THREE HUNDRED AND FIFTY THOUSAND US DOLLARS (US\$350,000.00) from October 1, 2020 going forward. *The Retainer Fees for the first four (4) full months shall be 50% creditable toward Success Fees as defined below.*

B. **Success Fees.** Upon substantial completion of the below transactions, the Company shall pay to Seabury one or more of the following success fees (taken as a whole, the “**Success Fees**”):

- (i) **Restructuring Success Fee:** The Company shall pay to Seabury a financial restructuring success fee (the “**Restructuring Success Fee**”), subject to provisions of an overall success fee cap outlined below, equal to SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (US\$6,500,000.00) upon completion of an out-of-court restructuring or consummation of a Plan of Reorganization (a “**Financial Restructuring**”).
- (ii) **DIP Loan Success Fee** – The Company shall pay Seabury two and one-half percent (2.5%) of any new money DIP Loan commitments (each a “**DIP Loan Transaction**”) to the extent that such DIP Loans are approved by final order of the bankruptcy court and the loan proceeds thereof are distributed to the Company in cash (the “**DIP Loan Success Fee**”); provided, however, that (i) such DIP Loan Success Fee shall be reduced by ninety percent (90%) for any principal amount of such commitments that are provided by existing stakeholders and/or any governmental entity and/or any other new money raised in Tranche A of the DIP Loan, and (ii) fifty percent (50%) of such DIP Loan Success Fees shall be creditable to any Debt Success Fees (as defined below) in proportion to the same entities providing any portion of any Exit Financing. Seabury shall be the sole and exclusive arranger for any junior priority tranche of a DIP Loan.
- (iii) **Permanent Debt Financing Success Fees** – The Company shall pay to Seabury debt success fees (“**Debt Success Fees**”) for any new debt financing capital provided to the Company (each a “**Debt Financing Transaction**”) as follows:
 - a. Senior Secured Debt Financing – One and one-half percent (1.5%) of debt principal
 - b. Subordinated Secured Debt Financing – Two and one-half percent (2.5%) of debt principal
 - c. Unsecured Debt Financing – Three percent (3.0%) of debt principal

provided, however, such Debt Financing Success Fees shall be reduced by ninety percent (90%) for any portion of the debt provided by existing stakeholders of the Company and/or any governmental entity.

- (iv) **Equity Success Fees** – The Company shall pay to Seabury equity success fees (“**Equity Success Fees**”) for any new equity capital provided to the Company (each an “**Equity Financing Transaction**”) in accordance with the following:
 - i. first US \$100 million, three and one-half percent (3.5%) of equity funding; and
 - ii. thereafter, two and one-half percent (2.5%) of equity funding.

provided, however, such Equity Success Fees shall be reduced by ninety percent (90%) for any portion of the existing \$375 million senior secured convertible debt

facility (the “**Stakeholder Facility**”) which is converted into equity and also such

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ninety percent (90%) discount shall apply to the Equity Success Fees payable to Seabury upon the conversion of any portion of a government funded DIP Loan into exit equity financing for the Company and as a result of any Equity Financing Transaction provided by any governmental entity as a result of funds from the government; provided further that any Equity Success Fee shall apply only to new money cash purchase of equity, not conversion of DIP to equity or pre-petition debt to equity.

- (v) **M&A Success Fee** – The Company shall pay to Seabury an M&A success fee (an “**M&A Success Fee**”) for any M&A transaction (an “**M&A Transaction**”) completed equal to one-quarter of one percent (0.25%) of the of the Transaction Value (defined below); *provided* that no M&A Success Fee shall be earned where a standalone restructuring involves a change of control. “**Transaction Value**” means the total value of all consideration (including cash, securities or other property) paid or received or to be paid or received, directly or indirectly, in connection with an M&A Transaction in respect of assets or outstanding securities on a fully diluted basis (treating any securities issuable upon the exercise of options, warrants or other convertible securities and any securities to be redeemed as outstanding), plus the amount of any debt (including the capitalized principal portion of capitalized flight equipment leases and the equivalent of debt for operating leases, determined by multiplying the annual flight equipment operating lease obligation payments by a factor equal to seven (7)), and any other liabilities (including air traffic liability but excluding deferred gains and credits, post-retirement benefits and other employee benefit liabilities) outstanding or assumed, refinanced or extinguished in connection with an M&A Transaction, and amounts payable in connection with an M&A Transaction in respect of employment or consulting agreements, agreements not to compete or similar arrangements, but net of any balance sheet cash and other current assets. If the M&A Transaction takes the form of a recapitalization or similar transaction, Transaction Value will also include the value of all shares retained by the shareholders of the acquired company. If any portion of Transaction Value is payable in the form of securities, the value of such securities, for purposes of calculating our transaction fee, will be determined based on the average closing price for such securities for the twenty (20) trading days prior to the closing of the M&A Transaction. In the case of securities that do not have an existing public market, our Transaction Fee will be determined based on the fair market value of such securities as mutually agreed upon in good faith by the Company and Seabury prior to the closing of the M&A Transaction. Fees on amounts paid into escrow will be payable upon the establishment of such escrow. Fees relating to contingent payments other than escrowed amounts will be calculated based on the present value of the reasonably expected maximum amount of such contingent payments as determined in good faith by the Company and Seabury prior to the closing of the M&A Transaction, utilizing a discount rate equal to the prime rate published in The Wall Street Journal on the last business day preceding the closing of the M&A Transaction.
- (vi) **Success Fee Cap.** Notwithstanding any of the foregoing, all Success Fees earned under this Agreement shall be subject to an overall cap (the “**Success Fee Cap**”) equal to TEN MILLION US DOLLARS (US\$10,000,000.00) if the Financial Restructuring is completed by September 30, 2020 or THIRTEEN MILLION US DOLLARS (US\$13,000,000.00) thereafter, provided, however, in the event of either (a) a new money Equity Financing Transaction or (b) an M&A Transaction, the such Success Fee Cap shall be subject to the provisions of Section 2.B.(vii) set forth below.

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- (vii) **Adjusted Success Fee Cap.** For the purposes of calculating the amount of the Success Fee Cap at the conclusion of Seabury's retention, the Success Fee Cap shall be increased (the "**Adjusted Success Fee Cap**") by the lesser of (A) fifty percent (50%) of the aggregate amount of all Equity Success Fees together with that portion of the DIP Success Fee related to any portion of the DIP that converts to Equity if b.(i) above applies plus fifty percent (50%) of the aggregate amount of all M&A Success Fees, if applicable, OR (B) a fifty percent (50%) increase in the Success Fee Cap.

Counsel shall in no event be obligated to pay any compensation, expenses, reimbursement, indemnification or other amounts payable pursuant to this Agreement or otherwise in connection with Seabury's engagement hereunder. Seabury is being retained by Counsel to report to and consult with Counsel in order to develop a comprehensive financial and legal strategy for the Company, notwithstanding that Seabury's fees and expenses will be paid solely by the Company. Seabury acknowledges that Counsel has requested that Seabury bill the Company directly and that the Company pay Seabury directly for any amounts owed hereunder, and Seabury has agreed to such request. Seabury further acknowledges that (a) in connection with the foregoing, the Company has executed and delivered to Seabury this Agreement pursuant to which the Company is obligated to pay all amounts owed to Seabury hereunder, and (b) for the avoidance of doubt, notwithstanding anything herein to the contrary, Counsel shall have no liability to Seabury arising out of this Agreement and shall not be responsible for any fees or other amounts hereunder (including, without limitation, for payment of any fees, costs, expenses or for any indemnity obligations), and Seabury shall look only to the Company for payment hereunder.

Section 3. Expenses; Deposit.

The Company will reimburse Seabury promptly upon receipt of monthly written notice for its documented and reasonable out-of-pocket expenses incurred by Seabury in connection with the services to be rendered under the Agreement. Seabury personnel shall be reimbursed for economy class travel (or its equivalent) except for international travel greater than five (5) hours in duration, in which case Seabury personnel may be permitted to book in business class. The Company and its representatives shall be entitled to review and/or audit Seabury's records of such expenses during normal business hours. Upon termination of this Agreement, the Company shall reimburse Seabury only for such documented and reasonable out-of-pocket expenses incurred or accrued prior to termination. Invoices submitted to the Company pursuant to this Section 3 will, in each case, include adequate detail including employee name, date of expense charge, expense type and amount.

The Company shall pay a deposit to Seabury upon execution of this Agreement equal to NINE HUNDRED THOUSAND US DOLLARS (US\$900,000.00) (the "**Deposit**") that Seabury may hold until the end of the engagement to cover any unreimbursed out-of-pocket expenses or fees due. The Company may not deduct the value of this Deposit from any reimbursements otherwise owed to Seabury, and Seabury shall have no obligation to allow such crediting of the Deposit during the pendency of the engagement. If, at the end of the engagement, there is any residual amount of the Deposit which is unused, the Seabury shall promptly repay such residual amount to the Company.

Section 4. Term.

The Company shall retain Seabury's services under Section 1 through the earlier to occur of (i) the effective date of a Financial Restructuring and any related capital raises, if effectuated out-of-court; (ii) a court supervised and confirmed Plan of Reorganization for the Company becoming effective along with related capital raises, and (iii) the date this Agreement is subject to an early termination by the Company under provisions of Section 5 below.

Section 5. Termination.

Except as otherwise provided under any separate written agreement with the Company:

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- A. Seabury and the Company may terminate this Agreement upon mutual written agreement.
- B. The Company may terminate the Agreement by written notice to Seabury without further liability or obligation whatsoever on the part of the Company (x) at any time it determines in good faith that Seabury has materially defaulted in the performance of its obligations hereunder; and (y) the Company provides Seabury seven (7) business days' prior written notice of its intention to terminate the Agreement unless Seabury remedies any such failure to perform to the satisfaction of the Company within such period ("**Termination for Cause**").
- C. Upon expiration of the engagement, the Company shall pay Seabury all professional fees, consulting fees and success fees, as described above that have accrued prior to such termination but are unpaid, and reimbursements for documented and reasonably incurred expenses due and payable under this Agreement are due and payable upon completion of this assignment.
- D. Upon Termination for Cause as provided in clause (ii) above, the Company shall pay Seabury all fees and reimbursements for documented and reasonably incurred expenses that have accrued prior to such termination but remain unpaid.
- E. Except for Termination for Cause, the Company shall be obliged to pay all Success Fees to Seabury upon a substantial consummation of a Financial Restructuring, or completion of any DIP Loan Transaction, any Debt Financing Transaction, any Equity Financing Transaction and/or any M&A Transaction that would otherwise be payable to Seabury under Section 2 if such transactions occur within eighteen (18) months from any termination by the Company.
- F. Notwithstanding any of the foregoing, Sections 5, 6, 7, 8, 9, 10, 11 and 12 of the Agreement shall survive the expiration or termination of this Agreement.

Section 6. Governing Law.

This Agreement, and any claim related directly or indirectly to this Agreement, will be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of law. The United States District Court for the Southern District of New York and the appropriate Courts of the State of New York sitting in the Borough of Manhattan, City of New York shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Agreement and any matter arising from it; provided, however, all legal proceedings pertaining to the Agreement and any matter arising from it that arise during the pendency of a case under chapter 11 of the Bankruptcy Code of the Company, if any, shall be brought in the bankruptcy court handling such case. The parties submit to the jurisdiction of such courts and irrevocably waive any right they may have to object to any action being brought in these courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.

Section 7. Indemnification.

The Company agrees to indemnify Seabury and other parties as provided in the Annex A hereto. Annex A is incorporated by reference into this engagement letter.

Section 8. Miscellaneous.

Seabury's Other Relationships. The Company and Counsel acknowledge that Seabury provides financial advisory and investment banking services to a broad array of companies in the aviation and transportation sectors. The Company acknowledges that these and other relationships exist and agrees that such relationships cannot be subsequently claimed as a reason for termination of this Agreement except if Seabury breaches in any material respect its fiduciary responsibility to the Company in the performance of its responsibilities hereunder. Additionally, the Company accepts

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that Seabury is bound by confidentiality and fiduciary obligations to other clients and has specifically advised the Company that Seabury is obligated not to use any confidential non-public information obtained from such other engagements to advise the Company.

Seabury's Obligations. All services to be performed by Seabury hereunder shall be performed in good faith and with at least that level of care and diligence as customarily exercised by other international financial advisors and international consultants similarly employed or engaged in providing similar services to the aviation market. Seabury will also have the confidentiality obligations as set forth in Section 10 hereof.

Company's Obligations. The Company agrees that materials prepared by Seabury for its use are for the exclusive use of the Company and Counsel. The Company agrees that Seabury's work product cannot be shared with other parties without advance written consent of Seabury or in accordance with Section 10 hereof.

Relationship of the Parties. The role of Seabury under this Agreement is and at all times shall remain that of independent contractor. Nothing in this Agreement or the attached schedules or annexes shall be construed to create a joint venture, partnership, franchise, employment or agency relationship between the parties to this Agreement, and accordingly, neither party shall represent itself as having, nor does either party have, the right, power, or authority to bind or otherwise create any obligation or duty, express or implied, on behalf of the other party in any manner whatsoever. Personnel provided by Seabury to provide services to Company hereunder shall continue to be employees of Seabury, and such persons shall be subject to Seabury's exclusive supervision and control.

The Company and Seabury shall be liable and shall indemnify, defend and hold the other harmless for all taxes and benefits arising from the employment of their respective employees involved in the performance of the services hereunder. The Company and Seabury accept full and exclusive liability for the payments of workers' compensation and employer's liability insurance premiums with respect to their respective employees and for the payment of all taxes, contributions or other payments for unemployment compensation or old age benefits, pensions or annuities now or hereafter imposed upon employers by a governmental authority having jurisdiction with respect to their respective employees, measured by the wages, salaries, compensation, or other remuneration paid to its employees.

Section 9. Taxes.

All fees and other payments to be made to Seabury under this Agreement are to be made in cleared funds, without deduction, set-off or counterclaim and free and clear and without deduction on account of any "Taxes", levies, fees and withholdings of any nature now or hereafter imposed. If the Company is compelled by law or otherwise to make any such deduction, the Company will pay to Seabury such additional amounts as are necessary to ensure receipt by Seabury of the full amount which Seabury would have received but for the deduction: provided, however, the Company and Seabury will cooperate in good faith to minimize taxes to the extent legally permissible. "**Taxes**" shall mean any and all fees (including license, recording, documentation and registration fees), taxes (including, without limitation, income, gross receipts, capital, franchise, net worth gross profits, sales, rental, use, turnover, value added, ad valorem, property (tangible and intangible) excise, documentary and stamp taxes), licenses, levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever, whether now existing or hereafter adopted, enacted or amended, howsoever imposed, levied or asserted by any government entity or taxing authority together with any and all penalties, fines, additions to tax and interest thereon.

Section 10. Confidentiality.

All information exchanged by Seabury and the Company or Counsel in connection with this Agreement that is identified as confidential or otherwise reasonably understood to be confidential

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Avianca - Seabury Restructuring Engagement

under the circumstances ("**Confidential Information**") shall be kept confidential by receiving party and its employees using a reasonable standard of care and used solely to provide the Services to the Company and Counsel. No Confidential Information shall be disclosed to any third party without the disclosing party's prior written consent unless at the time of such disclosure, such information (i) is generally available to and known by the public (other than as a result as a disclosure directly by the receiving party); (ii) becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party; (iii) was known by the receiving party prior to disclosure by the disclosing party; (iv) is otherwise required to be disclosed by law (including by subpoena, civil investigative demand or similar process), in which event the receiving party shall give prompt notice to the disclosing party before disclosure and cooperate in good faith to permit the receiving party to seek a protective order or other appropriate remedy; or (v) subject to prompt confirmation by Seabury, was exchanged for the purpose of being included in a public filing or otherwise made public in connection with a court-supervised restructuring.

The Company also accepts that Seabury is bound by confidentiality and fiduciary obligations to other clients, and Seabury is obligated to refrain from using any confidential non-public information obtained from such other engagements to advise the Company. Additionally, Seabury and the Company each agrees to keep the terms and conditions of this Agreement confidential; provided however subject to prompt confirmation by Seabury, the Company shall be permitted to file this Agreement in connection with any retention of Seabury in a court-supervised restructuring.

Seabury acknowledges that the work product produced by Seabury pursuant to this Agreement is for the purpose of facilitating the rendering by Counsel of legal advice to the Company and constitutes attorney work product, and that any communication to Counsel, including without limitation, any correspondence, analyses, reports and related materials that Seabury prepares, constitutes confidential and privileged communications and Seabury will not disclose the same to any other person except as requested by Counsel or as required by applicable law.

Section 11. Data Protection

Seabury has complied and will continue to comply with its obligations as a data processor arising from the data protection and privacy laws in force from time to time to the extent that those obligations are relevant to this Agreement. Further, Seabury and the Company have each

implemented and shall maintain an information security program including reasonable administrative, technical and physical measures designed to secure and protect the confidentiality, integrity and availability of all Confidential Information while in such party's possession against unauthorized, unlawful or accidental access, disclosure, transfer, destruction, loss or alteration.

The term Confidential Information will not, however, include any information that identifies or directly relates to natural persons ("**Personal Data**"). Each party will exercise commercially reasonable efforts not to disclose any Personal Data to the other party and to restrict the other party's access to its Personal Data, but if a party is given access to the other party's Personal Data, the receiving party will protect such Personal Data using a reasonable standard of care. If Seabury requires access to the Company's Personal Data in connection with the Services for a particular project, the parties will agree in writing on the procedures and obligations of each party with respect to the access, use and protection of such Personal Data and where needed implement additional data security controls and processes for the transmission, exchange, storage, processing or other use of Personal Data as described in such procedures.

Section 12. Intellectual Property

All intellectual property provided to Seabury by the Company under this Agreement ("Company IP") is and shall remain the sole and exclusive property of the Company. Company hereby grants to Seabury, during the term of this Agreement, a non-exclusive, fully paid, non-transferable, limited license to use and permit Seabury to use the Company IP, solely for the purposes of providing the

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Services under this Agreement. Pending final payment, Seabury will, subject to any restrictions applicable to any third-party materials embodied in the documents delivered to the Company in the course of providing the Services (the “**Deliverables**”), grant to the Company a perpetual, worldwide, nontransferable, non-exclusive, irrevocable (other than for non-payment) right and license to use, copy, modify and prepare derivative works of the Deliverables for purposes of the Company’s and its affiliated companies’ internal business only.

All other rights in the Deliverables remain in and/or are assigned to Seabury. Rights in all intellectual property of Seabury existing prior to the Services, used in the Services, developed separately, or licensed to Seabury by third parties and used in the Services, and any enhancements or modifications to the same, are the sole and exclusive property of Seabury (“**Seabury IP**”). Seabury IP embedded in Deliverables may not be used separately or beyond the license rights noted above. Subject to obligations of confidentiality in Section 11, each party will be free to use the concepts, techniques and know-how retained in the unaided memories of those involved in the performance or receipt of the Services. In no event will Seabury be precluded from independently developing for itself, or for others, anything, whether in tangible or non-tangible form, which is competitive with, or similar to, the Deliverables provided and to the extent that they do not contain confidential information of the Company.

Section 13. Execution.

This Agreement may not be amended or modified except in writing signed by the Company and Seabury and may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which will constitute one and the same agreement. All rights, liabilities and obligations hereunder will be binding upon and inure to the benefit of the Company, Seabury and their respective successors and assigns.

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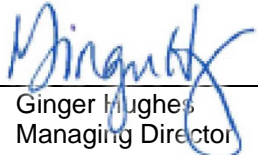
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Avianca - Seabury Restructuring Engagement


Please confirm our mutual understanding of this engagement by signing and returning to us the enclosed duplicate copy of this letter agreement. We are pleased that you have engaged us to act as your financial advisor and are looking forward to working with you on this assignment.

Very truly yours,

SEABURY SECURITIES LLC

By: 
Ginger Hughes
Managing Director

SEABURY INTERNATIONAL CORPORATE FINANCE LLC

By: 
Ginger Hughes
Managing Director

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August 10, 2020
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Accepted and agreed to this 11th day of August 2020

MILBANK LLP

By: 

Evan Fleck
Partner

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August 10, 2020
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AVIANCA HOLDINGS, S.A., on behalf of its direct and indirect subsidiaries set forth below:

AERO TRANSPORTE DE CARGA UNION, S.A. DE C.V.

AEROINVERSIONES DE HONDURAS, S.A.

AEROVIAS DEL CONTINENTE AMERICANO S.A.

AVIANCA AIRLEASE HOLDINGS ONE LTD.

AVIANCA COSTA

RICA S.A. AVIANCA

HOLDINGS S.A.

AVIANCA, INC.

AVIANCA

LEASING, LLC

AVIANCA PERU

S.A. AVIANCA-

ECUADOR S.A.

AVIATECA, S.A.

AVIFREIGHT HOLDING MEXICO, S.A.P.I. DE

C.V. GRUPO TACA HOLDINGS LIMITED

INTERNATIONAL TRADE MARKS AGENCY

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SERVICIOS AEROPORTUARIOS INTEGRADOS

SAI S.A.S. AV INTERNATIONAL HOLDCO S.A.

AV INTERNATIONAL HOLDINGS S.A.

AV INTERNATIONAL

INVESTMENTS S.A. AV

INTERNATIONAL VENTURES S.A.

AV INVESTMENTS ONE COLOMBIA S.A.S.

AV INVESTMENTS TWO COLOMBIA S.A.S.

AV TACA INTERNATIONAL HOLDCO S.A.

By: 

Richard Galindo - Secretary

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Avianca - Seabury Restructuring Engagement

ANNEX A

Seabury International Corporate
Finance LLC Seabury Securities LLC
1350 Avenue of the
Americas 31st Floor
New York, NY 10019

Ladies and Gentlemen:

In connection with the engagement of Seabury Securities LLC and any of their affiliates (collectively, "**Seabury**") to advise and assist the undersigned (referred to herein as the "**Company**," "**we**," "**our**," or "**us**") with the matters set forth in the Agreement dated as of the date hereof between us and Seabury, we hereby agree to indemnify and hold harmless Seabury, its affiliated companies, and each of Seabury's and such affiliated companies' respective officers, directors, agent, employees, and controlling persons (within the meaning of each of Section 20 of the Securities Exchange Act of 1934 and Section 15 of the Securities Act of 1933) (each of the forgoing, including Seabury, being hereinafter referred to as an "**Indemnified Person**") to the fullest extent permitted by law from and against any and all losses, claims, damages, reasonable expenses (including reasonable fees, disbursements, and other charges of counsel), actions, proceedings, arbitration or investigations (whether formal or informal) (all of the foregoing being referred to as "**Liabilities**"), based upon, relating to, or arising out of such engagement or any Indemnified Person's role therein; provided, however, that we shall not be liable under this paragraph: (a) for any amount paid in settlement of claims without our consent, unless our consent is unreasonably withheld or (b) to the extent that it is finally judicially determined, or expressly stated in an arbitration award, that such Liabilities resulted primarily from the willful misconduct or negligence (which in all cases hereunder will be deemed to include any violation of applicable law) of the Indemnified Person seeking indemnification. In connection with our obligation to indemnify for expenses as set forth above, we further agree to reimburse each Indemnified Person for all such expenses (including reasonable fees, disbursements, and other charges of counsel) as they are incurred by such Indemnified Person; provided, however, that if an Indemnified Person is reimbursed hereunder for any expenses, the amount so paid shall be refunded if and to the extent it is finally judicially determined, or expressly stated in an arbitration award, that the Liabilities in question resulted primarily from the willful misconduct or negligence of such Indemnified Person. We hereby agree that neither Seabury nor any other Indemnified Person shall have any liability to us (or anyone claiming through us or in our name) in connection with Seabury's engagement by us except to the extent that such Indemnified Person has engaged in willful misconduct or been negligent.

Promptly after Seabury receives notice of the commencement of any action or other proceeding in respect of which indemnification or reimbursement may be sought hereunder, Seabury will notify us thereof; but the omission to notify us shall not relieve us from any obligation hereunder unless, and only to the extent that, we shall have been materially prejudiced by such failure. If any such action or other proceeding shall be brought against any Indemnified Person, we shall, upon written notice given reasonably promptly following our receipt of your notice to us of such action or proceeding, be entitled to assume the defense thereof at our expense with counsel chosen by us and reasonably satisfactory to such Indemnified Person; provided, however, that any Indemnified Person may, at its own expense, retain separate counsel to participate in such defense. Notwithstanding the foregoing, such Indemnified Person shall have the right to employ separate counsel at our expense and to control its own defense of such action or proceeding if the named parties to any such claim or action include such Indemnified Person and us and in the reasonable opinion of counsel to such Indemnified Person there are or may be legal defenses available to such Indemnified Person or to other Indemnified Persons that are different from or additional to those available to us; provided, however, that in no event shall we be required to pay fees and expenses under this indemnity for more than one firm of attorneys (in addition to local counsel) in any one legal action or group of

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related legal actions. We agree that we will not, without the prior written consent of Seabury, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding relating to the matters contemplated by Seabury's engagement (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, or consent includes an unconditional release of Seabury and each other Indemnified Person from all liability arising or that may arise out of such claim, action, or proceeding.

We will also reasonably consult with the statutory committee of unsecured creditors appointed in our chapter 11 cases, if any, to the extent appropriate prior to entering into any such settlement or compromise. In the event that Seabury seeks reimbursement for attorneys' fees from us, invoices and supporting time records from such attorneys shall be annexed to Seabury's own interim and final fee applications, and such invoices and time records shall be subject to the U.S. trustee's guidelines for compensation and reimbursement of expenses and approval of the Court under the standards of section 330 of the Bankruptcy Code without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code.

If the indemnification of an Indemnified Person provided for hereunder is unavailable for any reason (other than as a result of the willful misconduct or negligence of the Indemnified Person), then we agree, in lieu of indemnifying such Indemnified Person, to contribute to the amount paid or payable by such Indemnified Person as a result of such Liabilities in such proportion as is appropriate to reflect the relative benefits received, or sought to be received, by us on the one hand and by Seabury on the other from the transactions in connection with the matters for which Seabury has been engaged. If the allocation provided in the preceding sentence is not permitted by applicable law, then we agree to contribute to the amount paid or payable by such Indemnified Person as a result of such Liabilities in such proportion as is appropriate to reflect not only the relative benefits referred to in such preceding sentence but also the relative fault of us and of such Indemnified Person in connection with the matters to which such liabilities relate, as well as any other return of equitable considerations.

Notwithstanding the foregoing, in no event shall the aggregate amount required to be contributed by us, taking into account our contributions as described above, exceed the amount of fees actually paid by us to Seabury pursuant to such engagement (exclusive of amounts paid by us as reimbursement of expenses and paid under this indemnity agreement). The relative benefits received or sought to be received by us on the one hand and by Seabury on the other shall be deemed to be in the same proportion as (a) the total value of the transactions with respect to which Seabury has been engaged bears to (b) the fees paid or payable to Seabury with respect to such engagement.

The rights accorded to Indemnified Persons hereunder shall be in addition to any rights that any Indemnified Person may have at common law, by separate agreement or otherwise and shall be binding on and inure to the benefit of any successors, assigns and personal representatives of us and each indemnified party.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE WITHOUT REGARD TO SUCH STATE'S RULES CONCERNING CONFLICTS OF LAWS. WE HEREBY CONSENT, SOLELY FOR THE PURPOSE OF ALLOWING AN INDEMNIFIED PERSON TO ENFORCE ITS RIGHTS HEREUNDER, TO PERSONAL JURISDICTION AND SERVICE AND VENUE IN ANY COURT IN WHICH ANY CLAIM FOR WHICH INDEMNIFICATION MAY BE SOUGHT HEREUNDER IS BROUGHT AGAINST SEABURY OR ANY OTHER INDEMNIFIED PERSON; PROVIDED, HOWEVER, THAT ALL LEGAL PROCEEDINGS PERTAINING TO THE AGREEMENT AND ANY MATTER ARISING FROM IT THAT ARISE DURING THE PENDENCY OF A CASE UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF THE COMPANY, IF ANY, SHALL BE BROUGHT IN THE BANKRUPTCY COURT HANDLING SUCH CASE.

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Avianca - Seabury Restructuring Engagement

We and Seabury also hereby irrevocably waive any right we and Seabury may have to a trial by jury in respect of any claim based upon or arising out of this agreement. This agreement may not be amended or otherwise modified except by an instrument signed by both Seabury and us.

If any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision of this agreement, which shall remain in full force and effect. The foregoing indemnification agreement shall remain in effect indefinitely, notwithstanding any termination or expiration of Seabury's engagement.

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Avianca - Seabury Restructuring Engagement

Very truly yours,

AVIANCA HOLDINGS, S.A., on behalf of its direct and indirect subsidiaries set forth below:

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AVIANCA PERU

S.A. AVIANCA-

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AV TACA INTERNATIONAL HOLDCO S.A.

By: 

Richard Galindo - Secretary

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SEABURY SECURITIES LLC

By:  _____
Ginger Hughes
Managing Director

SEABURY INTERNATIONAL CORPORATE FINANCE LLC

By:  _____
Ginger Hughes
Managing Director