

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

In re:

PHILIPPINE AIRLINES, INC.¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**ORDER CONFIRMING
(I) AUTHORITY TO OPERATE ITS BUSINESS IN THE ORDINARY
COURSE AND (II) IMPLEMENTATION OF THE AUTOMATIC STAY**

Upon the motion (the “**Motion**”)² of Philippine Airlines, Inc., the above-captioned debtor and debtor in possession (the “**Debtor**”), for entry of an order (this “**Order**”) confirming the Debtor’s authority to continue to operate its business in the ordinary course and enforcing and restating the automatic stay, anti-*ipso facto* and anti-discrimination provisions under sections 362, 365(e)(1), 525 and 541(c) of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “**Bankruptcy Code**”); and the Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules of the Southern District of New York, and that, except as otherwise ordered herein, no other or further notice is necessary; and any objections (if any) to the Motion having been withdrawn or overruled on the merits; and a hearing having been held to consider the relief requested in the Motion and upon

¹ The Debtor in this chapter 11 case, along with its registration number in the Philippines, is Philippine Airlines, Inc., Philippine Securities and Exchange Commission Registration No. PW 37. The Debtor’s corporate headquarters is located at PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines.

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.



the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate, its creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to sections 363, 1107, and 1108 of the Bankruptcy Code, the Debtor is authorized to continue operating its business in the ordinary course after the Petition Date.
3. Pursuant to section 362 of the Bankruptcy Code, all persons (including individuals, partnerships, corporations, and all those acting for or on their behalf) and all foreign or domestic governmental or quasi-governmental units, including any state, locality, or territory thereof (and all those acting for or on their behalf), regardless of whether or not they have received a copy of the order, are stayed, restrained, and enjoined from:
 - a. commencing or continuing any judicial, administrative or other action or proceeding against the Debtor, including the issuance or employment of process that was or could have been initiated before the Debtor's Chapter 11 Case commenced;
 - b. enforcing, against the Debtor or its estate, a judgment obtained before the commencement of this Chapter 11 Case;
 - c. collecting, assessing or recovering a claim against the Debtor that arose before the commencement of this Chapter 11 Case;
 - d. taking any action to obtain possession of property of the estate or of property from the estate or to exercise control over property of the Debtor's estate;
 - e. taking any action to create, perfect or enforce any lien against property of the Debtor's estate;

- f. taking any action to create, perfect or enforce any lien against property of the Debtor, to the extent that such lien secures a claim that arose before the commencement of this Chapter 11 Case;
- g. offsetting any debt owing to the Debtor that arose before the commencement of this Chapter 11 Case against any claim against the Debtor; and
- h. commencing or continuing a proceeding before the United States Tax Court concerning the Debtor's tax liability for a taxable period the Court may determine.

4. All persons and all foreign and domestic governmental units, and all those acting on their behalf, including sheriffs, marshals, constables, and other or similar law enforcement officers and officials, regardless of whether they have received this order, are stayed, restrained, and enjoined from in any way seizing, attaching, foreclosing upon, levying against or in any other way interfering with any and all property of the Debtor or the Debtor's estate, wherever located.

5. Pursuant to section 365(e)(1) of the Bankruptcy Code, all persons (including individuals, partnerships, corporations, and all those acting for or on their behalf) and all foreign or domestic governmental or quasi-governmental units including any state, locality or territory thereof (and all those acting for or on their behalf) are prohibited from modifying or terminating any executory contract or unexpired lease, or any right or obligation under such contract or lease, at any time after the commencement of this Chapter 11 Case solely because of a provision in such contract or lease that is conditioned on:

- a. the insolvency or financial condition of the debtor at any time before the closing of this Chapter 11 Case;
- b. the commencement of this Chapter 11 Case; or
- c. the appointment of a trustee in this Chapter 11 Case.

6. This order shall not affect: (a) the substantive rights of any party or the availability of any of the exceptions contained in sections 362(b) and 365(e)(1) of the Bankruptcy Code or (b) the right of any party-in-interest to seek relief from the automatic stay in accordance with section 362(d) of the Bankruptcy Code or with respect to an executory contract or unexpired lease under section 365 of the Bankruptcy Code. This Order merely confirms without enlarging certain protections of the Bankruptcy Code.

7. Pursuant to section 525 of the Bankruptcy Code, all foreign or domestic governmental or quasi-governmental units including any state, locality, or territory thereof (and all those acting for or on their behalf) are prohibited and enjoined from: (a) denying, revoking, suspending or refusing to renew any license, permit, charter, franchise or other similar grant to, (b) placing conditions upon such a grant to or (c) discriminating against the Debtor (or another person with whom the Debtor has been associated) solely because the Debtor is a debtor under the Bankruptcy Code, or may have been insolvent before or during this Chapter 11 Case.

8. Pursuant to section 541 of the Bankruptcy Code, all of the Debtor's interests in property, wherever located and by whomever held, are property of the Debtor's estate notwithstanding any agreement, transfer agreement, or applicable law that restricts or conditions transfer of the such interests by the Debtor, or that is conditioned on the insolvency or financial condition of the Debtor or on the commencement of this Chapter 11 Case, or that effects or gives an option to effect a forfeiture, modification, or termination of any of the Debtor's interest in property.

9. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as enjoining or staying any act that is not stayed, or that is subject to an exception from the automatic stay, pursuant to the terms of section 362 of the Bankruptcy Code.

10. The contents of the Motion and the notice procedures set forth therein are good and sufficient notice and satisfy the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), and no other or further notice of the Motion or the entry of this Order shall be required.

11. Any Bankruptcy Rule (including Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective immediately and enforceable upon its entry.

12. The Debtor is authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

13. On request of a party in interest, and after notice and a hearing, this Court may grant relief from the restraints imposed herein in the event that it is necessary, appropriate and warranted so to terminate, annul, modify or condition the relief granted herein.

14. This Court shall retain exclusive jurisdiction to hear all matters arising from or related to the Motion or the interpretation, implementation, or enforcement of this Order.

Dated: September 9, 2021
New York, New York

/S/ Shelley C. Chapman
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE