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in Possession*

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

In re:

PHILIPPINE AIRLINES, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF FILING OF MODIFIED PROPOSED FINDINGS OF FACT,  
CONCLUSIONS OF LAW, AND ORDER (I) CONFIRMING THE  
DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION  
AND (II) GRANTING RELATED RELIEF**

**PLEASE TAKE NOTICE** that on September 3, 2021, Philippine Airlines, Inc., as debtor and debtor in possession in the above-captioned case (the “**Debtor**”), filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York (the “**Court**”).

**PLEASE TAKE FURTHER NOTICE** that on November 12, 2021, the Debtor filed the solicitation version of its proposed *Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 260] (as amended or modified in accordance with its terms, the “**Plan**”) and the *Disclosure Statement for Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 261] (including all exhibits thereto, (the “**Disclosure Statement**”).

**PLEASE TAKE FURTHER NOTICE** that on December 3, 2021, the Debtor filed the *Notice of Filing of Technical Modifications to the Solicitation Version of the Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 290].

<sup>1</sup> 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.



**PLEASE TAKE FURTHER NOTICE** that on December 15, 2021, the Debtor filed the *Notice of Filing of Proposed Findings of Fact, Conclusions of Law, and Order (I) Confirming the Debtor's Chapter 11 Plan of Reorganization and (II) Granting Related Relief* [ECF No. 316] (the "**Initial Proposed Confirmation Order**").

**PLEASE TAKE FURTHER NOTICE** that attached hereto as **Exhibit A** is a modified *Proposed Findings of Fact, Conclusions of Law, and Order (I) Confirming the Debtor's Chapter 11 Plan of Reorganization and (II) Granting Related Relief* (the "**Proposed Confirmation Order**"). The Proposed Confirmation Order includes certain modifications to the Initial Proposed Confirmation Order. A blackline comparison showing the changed pages of the Proposed Confirmation Order marked against the Initial Proposed Confirmation Order is attached hereto as **Exhibit B**.

**PLEASE TAKE FURTHER NOTICE** that the Debtor expressly reserves the right, subject to the terms and conditions set forth in the Plan and the Restructuring Support Agreements, to amend or modify the Proposed Confirmation Order. To the extent that the Proposed Confirmation Order is amended or modified prior to the Confirmation Hearing, the Debtor will file a blackline reflecting such amendment or modification to the Proposed Confirmation Order with the Court.

**PLEASE TAKE FURTHER NOTICE** that additional copies of the Plan, Disclosure Statement, or any other solicitation materials (except for Ballots) are available free of charge on the Debtor's case information website (<http://www.kccllc.net/PAL>) or by contacting the Debtor's Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international) or by writing the Solicitation Agent, Attn: PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at: <http://www.nysb.uscourts.gov>.

Dated: December 16, 2021  
New York, New York

DEBEVOISE & PLIMPTON LLP

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**Exhibit A**

**Proposed Confirmation Order**

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

In re:

PHILIPPINE AIRLINES, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER (I) CONFIRMING THE  
DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION AND (II) GRANTING  
RELATED RELIEF**

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Upon the filing by Philippine Airlines, Inc., as debtor and debtor in possession in the above captioned case (the “**Debtor**”), of the *Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 290-1] (as amended or modified in accordance with its terms, the “**Plan**”),<sup>2</sup> which is attached hereto as **Exhibit A**; and the Bankruptcy Court previously having entered the *Order (A) Approving the Disclosure Statement; (B) Approving Solicitation and Voting Procedures; (C) Approving Forms of Ballots; (D) Scheduling A Confirmation Hearing; and (E) Establishing Notice and Objection Procedures* [ECF No. 259] (the “**Disclosure Statement Order**”) approving the adequacy of the Disclosure Statement and the solicitation procedures with respect to the acceptances and rejections of the Plan; and the Debtor having served the Solicitation Packages, including the Disclosure Statement, on the Holders of Claims and Interests in compliance with the notice requirements and procedures set forth in the

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<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used in this Confirmation Order but not otherwise defined shall have the meaning ascribed to them in the Plan.

Disclosure Statement Order as reflected in the *Certificate of Service of Anna McDermott re: Solicitation Materials Served on November 15, 2021* [ECF No. 269]; and the Debtor having filed the documents comprising the Plan Supplement on December 3, 2021 [ECF No. 294] and an amended Plan Supplement on December 10, 2021 [ECF No. 305]; and the Bankruptcy Court having found that notice and opportunity for any party in interest to object to confirmation has been adequate and appropriate as to all parties affected by the Plan and the transactions contemplated thereby; and a hearing on confirmation of the Plan having been held on December 17, 2021 (the “**Confirmation Hearing**”); and the Bankruptcy Court having considered (i) the record of this chapter 11 case (the “**Chapter 11 Case**”) and of the Confirmation Hearing, (ii) the stakeholder support for the Plan evidenced in the *Certification of P. Joseph Morrow IV with Respect to the Tabulation of Votes on the Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 307] (the “**Voting Certification**”), and (iii) the compromises and settlements embodied in and contemplated by the Plan, the briefs filed in connection with the confirmation proceedings, and the arguments made and evidence presented at the Confirmation Hearing; and after due deliberation:

**THE BANKRUPTCY COURT HEREBY FINDS AND CONCLUDES:<sup>3</sup>**

I. The Bankruptcy Court has jurisdiction over this Chapter 11 Case pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Bankruptcy Court has jurisdiction to enter a final order (this “**Final Order**”) determining that the Plan complies with the applicable provisions of the Bankruptcy Code and

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<sup>3</sup> The findings and conclusions set forth herein and in the record of the Confirmation Hearing constitute the Bankruptcy Court’s findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. If any of the following findings of fact constitute conclusions of law, they are adopted as such; if any of the following conclusions of law constitute findings of fact, they are adopted as such.

other applicable law and should be approved and confirmed. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. § 1408.

II. The Debtor is an entity eligible for relief under section 109 of the Bankruptcy Code. The Debtor is a proper plan proponent under section 1121(a) of the Bankruptcy Code.

III. Pursuant to the Disclosure Statement Order, this Court approved the Disclosure Statement and found, among other things, that the Disclosure Statement contained “adequate information” within the meaning of section 1125 of the Bankruptcy Code and authorized the Debtor to solicit acceptances and rejections of the Plan. Prior to the transmission of the Disclosure Statement, the Debtor did not solicit acceptances of the Plan by any holder of Claims or Interests.

IV. Votes on the Plan were solicited and tabulated fairly, reasonably, in good faith, and in compliance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and any applicable non-bankruptcy rules, laws, and regulations. The Debtor commenced the Chapter 11 Case with a good faith belief that it was in need of reorganization and that the reorganization contemplated in the Restructuring Support Agreements and the Plan was the best restructuring alternative available to the Debtor. The Debtor, the Reorganized Debtor, the DIP Lenders, the DIP Agent, the Bridge Lender, and their respective Related Parties participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, solicitation, and/or purchase of the Securities offered under the Plan, and therefore are entitled to the protections of section 1125(e) of the Bankruptcy Code to the full extent provided therein.

V. The Plan has been proposed in good faith and not by any means forbidden by law in accordance with section 1129(a)(3) of the Bankruptcy Code. In so finding, the Bankruptcy Court has considered the totality of the circumstances of this Chapter 11 Case. The Plan is the result of extensive, good faith, arm's length negotiations among the Debtor and its principal constituencies and implements a result that is in keeping with (and, indeed, central to) the goals of the Bankruptcy Code, including preserving going concern value, maximizing the value available for distributions and the fair and equitable distributions to creditors.

VI. The Tranche A Conversion Election and the Tranche B Conversion Election (collectively, the "**Conversion Elections**") contemplated by Section 5.3 of the Plan, and the transactions contemplated thereby, are essential elements of the Plan and are proposed in good faith. The terms and conditions of the Conversion Elections and the transactions contemplated thereby (i) have been negotiated in good faith and at arm's length, without the intent to hinder, delay, or defraud any of the Debtor's creditors; (ii) are fair and reasonable; (iii) represent a valid exercise of the Debtor's business judgment; (iv) are supported by reasonably equivalent value and fair consideration; and (v) are in the best interests of the Debtor, its Estate, and its stakeholders.

VII. The Debtor, as the proponent of the Plan, has met its burden of proving by a preponderance of the evidence that the Plan complies with all applicable provisions of section 1129 of the Bankruptcy Code.

VIII. The Plan properly classifies all Claims against and Interests in the Debtor pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code and properly specifies Impaired and Unimpaired Classes pursuant to section 1123(a)(2) of the Bankruptcy Code. The Plan provides for the same treatment for each Claim or Interest in each respective Class unless

the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code. As of the Voting Deadline, 100% in amount and 100% in number of holders of Claims in Class 3 (General Unsecured Claims) that voted on the Plan have voted to accept the Plan. Accordingly, pursuant to section 1126 of the Bankruptcy Code, the Plan has been accepted with respect to the Debtor by the sole Impaired Class entitled to vote to accept or reject the Plan.

IX. The Plan does not “discriminate unfairly” and is “fair and equitable” with respect to all Classes that are Impaired and voted to, or are deemed to, reject the Plan, because, among other things, (i) there are no holders of Claims or Interests that are junior to the Claims and Interests in the rejecting Classes that will receive property under the Plan on account of such Claims or Interests; and (ii) no holders of Claims or Interests in a senior Class to the rejecting Class will receive a recovery in excess of 100% of the Allowed amount of its Claim or Interest.

X. The Plan is in the best interests of creditors pursuant to section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis included in the Disclosure Statement and described in the *Declaration of Douglas Walker In Support of Confirmation of Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 314] and the *Supplemental Declaration of Douglas Walker In Support of Confirmation of Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 321] (together with the *Declaration of Nilo Thaddeus Rodriguez, Chief Financial Officer of the Debtor, In Support of Confirmation of the Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 313], the “**Supporting Declarations**”) (i) is reasonable, persuasive and credible, (ii) utilizes reasonable and appropriate methodologies and assumptions; (iii) has not been controverted by other evidence; and (iv) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or



will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

XI. The Plan and the Supporting Declarations establish that the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtor being able to meet its financial obligations under the Plan and in the ordinary course of its business, and that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtor, thereby satisfying the requirements of Bankruptcy Code section 1129(a)(11).

XII. In accordance with section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, the provisions of the Plan shall constitute an arm's length and good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. The Bankruptcy Court hereby determines that the compromises and settlements contemplated under the Plan are within the range of reasonableness, in the best interests of the Debtor, its estate, its creditors, and other parties-in-interest, and fair and equitable. All distributions and deliveries made on account of Allowed Claims in any Class in accordance with the Plan are intended to be, and shall be, in complete and final satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

XIII. The releases contained in Section 10.6 of the Plan are an essential component of the Plan. In particular, the releases contained in Section 10.6 of the Plan (i) are an essential means of implementing the Plan; (ii) are an integral and non-severable element of the Plan and the transactions incorporated herein; (iii) confer substantial benefits on the Debtor's

Estate; (iv) are in exchange for good and valuable consideration provided by the Released Parties; (v) are a good-faith settlement and compromise of the Claims and Causes of Action released by the Plan; (vi) are materially beneficial to and in the best interests of the Debtor, its Estate, and all holders of Claims and Interests; (vii) are fair, equitable, and reasonable; (viii) are given and made after due notice and opportunity for hearing; and (ix) are a bar to the Debtor and the Releasing Parties asserting any Claim or Causes of Action released pursuant by Section 10.6 of the Plan. In addition, the third-party releases contained in Section 10.6(b) of the Plan are consensual in that all Persons and Entities to be bound thereby were given due and adequate notice thereof and sufficient opportunity and adequate instructions to elect to opt out of such releases.

XIV. The exculpation provided by Section 10.7 of the Plan for the benefit of the Exculpated Parties is integral to the Plan, reasonable in scope, and appropriately tailored to the circumstances of this case.

XV. The injunction provided by Section 10.5 of the Plan is essential to the Plan and is necessary to implement the Plan and to preserve and enforce the discharge of claims, the releases by the Debtor, the releases by Holders of Claims and Interests, and the exculpation under the Plan. The injunction provisions are fair and reasonable and appropriately tailored to achieve those purposes.

XVI. The Debtor has exercised sound business judgment in determining whether to reject, assume, or assume and assign each of its Executory Contracts and Unexpired Leases pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code, in accordance with Section 8 of the Plan and as set forth in the Plan Supplement. As set forth in the *Order Authorizing the Debtor to Enter Into and Perform Under Usage Stipulations Between the Debtor*

*and Counterparties Concerning Certain Aircraft and Engines* [ECF No. 128], the *Order Authorizing the Debtor to Enter Into and Perform Under Rejection Stipulations and Super-Soft Landing Stipulations Between the Debtor and Counterparties Concerning Certain Equipment Leases* [ECF No. 129], and the *Order Authorizing the Debtor to Assume, and Perform Under, Restructuring Support Agreements* [ECF No. 130] (the “**RSA Assumption Order**”), this Court previously held that entering into and performing under the Restructuring Support Agreements, the Usage Stipulations, the Rejection Stipulations, the Soft Landing Stipulations, and the Super-Soft Landing Stipulations (each as defined in the Restructuring Support Agreements) is in the best interest of the Debtor, its Estate, its creditors, and all parties in interest.

XVII. Except with respect to Executory Contracts and Unexpired Leases to be assumed or assumed and assigned pursuant to Section 8 of the Plan and as set forth in the Plan Supplement (collectively, the “**Assumed Contracts**”) that are the subject of an Assumption Dispute, the Debtor has cured or demonstrated its ability to cure any default with respect to any act or omission that occurred prior to the Effective Date under the Assumed Contracts within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, and the promise by the Reorganized Debtor to perform the obligations under the respective Assumed Contracts after the Effective Date shall constitute adequate assurance of their future performance of and under each of the respective Assumed Contracts within the meaning of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code, as applicable.

XVIII. Pursuant to Bankruptcy Rule 3019, the amendments and/or modifications made to the *Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 260] (the “**Solicited Plan**”) made since the filing thereof do not require (i) any additional disclosure under section 1125 of the Bankruptcy Code, (ii) the re-solicitation of votes under section 1126 of the

Bankruptcy Code, or (iii) that the holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Solicited Plan because such amendments and/or modifications do not adversely change the treatment of any Claims or Interests.

XIX. The Unsecured Exit Facility and the Unsecured Exit Facility Documents are each an essential element of the Plan, are necessary for confirmation and consummation of the Plan, and are critical to the overall success and feasibility of the Plan. The execution, performance, incurrence of all obligations (including, without limitation, any fees and expenses due in connection with the Unsecured Exit Facility Documents) to be paid by the Reorganized Debtor are necessary and appropriate for confirmation of the Plan and the operations of the Reorganized Debtor. The Unsecured Exit Facility and the Unsecured Exit Facility Documents were negotiated and shall be deemed to be negotiated at arm's length and in good faith, without the intent to hinder, delay, or defraud any creditor of the Debtor, and are supported by reasonably equivalent value and fair consideration. The Debtor has exercised reasonable business judgment in determining to enter into the Unsecured Exit Facility and the Unsecured Exit Facility Documents and has provided sufficient and adequate notice of the material terms of the Unsecured Exit Facility to all parties in interest in this Chapter 11 Case. The execution, delivery, or performance by the Debtor or the Reorganized Debtor of any of the Unsecured Exit Facility Documents and compliance by the Debtor or the Reorganized Debtor with the terms thereof is authorized by, and will not conflict with, the terms of the Plan or this Confirmation Order. The Unsecured Exit Facility Documents and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court.

XX. The Debtor has elected to implement the Restructuring Transactions contemplated by the Plan in accordance with Section 5.11 of the Plan.

XXI. The issuance of the New Common Stock is an essential element of the Plan and is in the best interests of the Debtor, the Estate, and its stakeholders. The Amended Organizational Documents and the New Stockholders Agreement are essential elements of the Plan. The terms of the Amended Organizational Documents and the New Stockholders Agreement are fair and reasonable, and the Debtor has provided adequate notice of the material terms thereof.

XXII. The New Common Stock issued under the Plan is in exchange for, or principally in exchange for, the Allowed DIP Tranche B Claims and the Allowed Class 3 General Unsecured Claims. The New Common Stock may and shall be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon section 1145 of the Bankruptcy Code.

**BASED ON THE FOREGOING, IT IS HEREBY ORDERED THAT:**

**A. Confirmation of the Plan**

1. The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein.

2. The Plan, including (i) all of the modifications to the Plan filed with the Bankruptcy Court prior to or during the Confirmation Hearing and (ii) all documents incorporated into the Plan through the Plan Supplement (including the final forms thereof to be filed on or before the Effective Date) is confirmed pursuant to section 1129 of the Bankruptcy Code and shall be effective and binding as of the Effective Date.

3. Any and all objections, statements, informal objections, and reservations of rights, if any, related to the Plan or confirmation of the Plan that have not been withdrawn or resolved prior to the Confirmation Hearing are hereby overruled on the merits.

4. Except as otherwise provided in the Plan, or in any agreement, instrument, or other document incorporated in the Plan (including the Restructuring Transactions), on the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all assets and property of the Estate shall vest in the Reorganized Debtor, free and clear of all Claims, Liens, encumbrances, charges, and other interests, except as provided pursuant to the Plan and the Confirmation Order. On and after the Effective Date, the Reorganized Debtor may take any action, including the operation of its business; the use, acquisition, sale, lease and disposition of property; and the entry into transactions, agreements, understandings, or arrangements, whether in or other than in the ordinary course of business, and execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers or otherwise in connection with any of the foregoing, free of any restrictions of the Bankruptcy Code or Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as expressly provided in the Plan. Without limiting the foregoing, the Reorganized Debtor may pay the charges that it incurs on or after the Effective Date for professional fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

5. The amendments and/or modifications to the Solicited Plan made since the filing thereof are approved in accordance with section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019(a). Any votes timely and properly cast on the Solicited Plan shall constitute votes on the Plan.

6. The documents contained in the Plan Supplement are integral to the Plan and are approved by the Bankruptcy Court. The Debtor and the Reorganized Debtor are authorized to take all actions required to effectuate the Plan and the transactions contemplated therein, including, for the avoidance of doubt, the Restructuring Transactions and the issuance and registration, as applicable, of any equity or debt security in connection with the Plan, in each case without notice, hearing, or further order of this Bankruptcy Court.

7. The Conversion Elections, the terms thereof, and the transactions contemplated therein, are integral to the Plan and are approved by the Bankruptcy Court in all respects. The Debtor and the Reorganized Debtor are authorized to take all actions required to effectuate the Conversion Elections and the transactions contemplated therein.

8. The terms of the Plan, the Plan Supplement, and the exhibits thereto are incorporated herein by reference and are an integral part of this Confirmation Order. Notwithstanding Bankruptcy Rules 3020(c), 6004(h), 6006(d), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, all exhibits thereto and all amendments thereto, and all other documents necessary for the implementation of the foregoing shall be immediately effective and enforceable and deemed binding on the Debtor, the Reorganized Debtor, the respective parties thereto, all present and former holders of Claims against the Debtor or Interests in the Debtor (notwithstanding whether any such holders were (i) Impaired or Unimpaired under the Plan, (ii) deemed to accept or reject the Plan, (iii) failed to vote to accept or reject the Plan, or (iv) voted to reject the Plan), and their respective heirs, executors, administrators, successors, and assigns. The failure to specifically include or refer to any particular article, section, or provision of the Plan, the Plan Supplement, or any related document in this Confirmation Order does not diminish or impair the effectiveness or

enforceability of such article, section, or provision, it being the intent of the Court that the Plan, the Plan Supplement, and the exhibits thereto be confirmed in their entirety. Prior to the Effective Date, subject to any consent rights or conditions precedent set forth in the DIP Credit Facility Documents, including the consent rights of the DIP Tranche B Lenders under the Plan, as applicable, and the consent rights of the DIP Agent under the DIP Credit Facility Documents and the Plan, as applicable, the Debtor may amend, modify, or supplement the Plan in accordance with the Plan, including Section 12.5 thereof, and section 1127(b) of the Bankruptcy Code. Prior to the Effective Date, subject to any consent rights or conditions precedent set forth in the Plan or the DIP Credit Facility Documents, the Debtor shall have the right to finalize, amend, supplement, or modify the Plan Supplement, and any other documents necessary for the implementation thereof, through the Effective Date (or as otherwise set forth in the Plan, including Section 12.5 thereof) in accordance with the Plan, the DIP Credit Facility Documents, the Unsecured Exit Facility Documents, the Bankruptcy Code, and the Bankruptcy Rules.

9. The terms of the Amended Organizational Documents and the New Stockholders Agreement (including any modifications or amendments made in accordance with paragraph 8 of this Order) are approved in all respects. The obligations of the Reorganized Debtor will, upon execution, constitute legal, valid, binding, and authorized obligations of the Reorganized Debtor, enforceable in accordance with their terms. On the Effective Date, without any further order of the Bankruptcy Court or action by any other party, the Reorganized Debtor, shall be and is authorized to enter into the Amended Organizational Documents and the New Stockholders Agreement. In addition, on and, as applicable, after, the Effective Date, without any further order of the Bankruptcy Court or action by any other party, the Reorganized Debtor shall be and is authorized to: (i) execute, deliver, file, and record any other contracts,



assignments, certificates, instruments, agreements, or other documents to be executed and delivered in connection with the Amended Organizational Documents and the New Stockholders Agreement, (ii) issue the New Common Stock, (iii) perform all of its obligations under the Amended Organizational Documents and the New Stockholders Agreement, and (iv) take all other actions as any of the officers of such Reorganized Debtor may deem necessary, appropriate, or desirable, in their business judgment, to effectuate the terms of the Amended Organizational Documents and the New Stockholders Agreement. Notwithstanding anything to the contrary in this Confirmation Order or the Plan, any disputes arising under the Amended Organizational Documents and the Shareholders Agreement will be governed by the jurisdictional provisions therein.

10. This Confirmation Order shall constitute, to the greatest extent permissible, all approvals and consents, if any, required by the laws, rules, or regulations of any state or any governmental authority with respect to the implementation or consummation of the Plan and any act that may be necessary or appropriate for the implementation or consummation of the Plan.

11. Each federal, state, commonwealth, local, foreign, or other governmental agency is authorized and directed to accept for filing and/or recording any and all documents, mortgages, and instruments necessary or appropriate to effectuate, implement, or consummate the transactions contemplated by the Plan and this Confirmation Order, including, without limitation, this Confirmation Order itself.

12. The compromises and settlements set forth in the Plan, including those in the Restructuring Support Agreements that were previously approved by the Bankruptcy Court,

are approved and shall, as applicable, remain or be, effective as of the Effective Date, binding on all parties in interest in this Chapter 11 Case.

13. Pursuant to Bankruptcy Rule 3020(c)(1), the following Plan provisions are expressly approved and shall be effective on the Effective Date without further order or action by the Bankruptcy Court, any of the parties to such releases, or any other Entity: (i) Releases by Debtor (Section 10.6(a)); (ii) Releases by Holders of Claims or Interests (Section 10.6(b)); (iii) Exculpation (Section 10.7); and (iv) Injunction (Section 10.5). All parties deemed to grant the releases contained in Section 10.6(b) of the Plan are forever barred from asserting any Claim or Cause of Action against any of the Released Parties released thereby. For the avoidance of doubt, nothing contained in the Plan or this Confirmation Order shall be deemed to release security assignments that have been granted by aircraft lessors to their lenders and acknowledged by the Debtor.

14. Notwithstanding anything herein, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Retained Causes of Action on the terms set forth in Section 10.8 of the Plan.

15. The Debtor shall cause a notice of the entry of this Confirmation Order and occurrence of the Effective Date, substantially in the form attached hereto as **Exhibit B** (the “**Confirmation Notice**”), to be filed and served upon (i) all parties listed in the creditor matrix maintained by KCC LLC (as the claims, noticing, and solicitation agent in this Chapter 11 Case), (ii) all parties that filed proofs of claim in this Chapter 11 Case, and (iii) such additional Persons and Entities as deemed appropriate by the Reorganized Debtor, no later than five business days after the Effective Date, and will cause KCC LLC to file an affidavit of service with the Bankruptcy Court. The Reorganized Debtor shall use commercially reasonable efforts to publish

the Confirmation Notice (or a notice substantially similar thereto) in the national and international editions of the *New York Times*, *USA Today*, and *Philippine Daily Inquirer* within 10 business days after the Effective Date, or as soon as practicable thereafter (allowing reasonable time for translation and other administrative and logistical issues). No other or further notice of the entry of this Confirmation Order and occurrence of the Effective Date shall be necessary.

**B. Discharge of Claims and Termination of Interests**

16. In consideration of the Distributions to be made under the Plan, except as otherwise expressly provided in the Plan, each holder (as well as any representatives, trustees, or agents on behalf of each holder) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtor, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such Entities shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in the Debtor against the Debtor, the Reorganized Debtor, or any of their assets or property, whether or not such holder has filed a proof of Claim and whether or not the facts or legal bases therefor were known or existed prior to the Effective Date.

**C. Exit Facilities**

17. The Unsecured Exit Facility is hereby approved and authorized in all respects, including the transactions contemplated thereby and all payments contemplated thereunder, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Debtor or the Reorganized Debtor in connection therewith.

18. The Unsecured Exit Facility Documents are hereby approved and authorized in all respects. The Debtor or the Reorganized Debtor, as applicable, are hereby authorized, without further approval of the Bankruptcy Court or any other party, to take all actions as necessary or desirable to execute, deliver, and perform under the Unsecured Exit Facility Documents, including the payment or reimbursement of any fees, expenses, losses, damages, indemnities and other amounts (including any applicable refinancing premiums and applicable exit fees), under or pursuant to the Unsecured Exit Facility Documents and to grant Liens to secure such indebtedness. In accordance with section 1142 of the Bankruptcy Code and applicable non-bankruptcy law, such actions may be taken without need for any further corporate action and without further action by the holders of Claims or Interests.

19. If the Debtor determines on or before the Effective Date to enter into the Secured Exit Facility, which shall be substantially on the terms and conditions set forth in the Restructuring Term Sheet, the Debtor shall be authorized but not directed to enter into the Secured Exit Facility and all documents required in connection therewith, and all Liens and security interests granted pursuant to the Secured Exit Facility Documents shall be (i) valid, binding, perfected, and enforceable Liens and security interests in the personal and real property described in and subject to such document, with the priorities established in respect thereof under applicable non-bankruptcy law, (ii) granted in good faith and deemed not to constitute a fraudulent conveyance or fraudulent transfer, and (iii) not otherwise subject to avoidance, recharacterization, or subordination under any applicable law. Each of the Debtor, the Reorganized Debtor, and the Entities granted such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish, attach, and perfect such Liens and security interests under any applicable law, and

shall thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

**D. Reimbursement of DIP Credit Facility Fees and Expenses**

20. To the extent not previously paid during the course of this Chapter 11 Case, and except to the extent that a holder of a DIP Reimbursement Claim agrees to less favorable treatment of such Claim, all DIP Reimbursement Claims incurred or estimated to be incurred in connection with the DIP Credit Facility Documents (the “**DIP Credit Facility Fees and Expenses**”), up to and including the Effective Date, shall be paid in full in Cash on the Effective Date, or as soon as reasonably practicable thereafter, in accordance with, and subject to, the terms of the DIP Credit Facility Documents, without any requirement to file a fee application with the Bankruptcy Court, without the need for itemized time detail, or without any requirement for review or approval by the Bankruptcy Court, the U.S. Trustee, or any other party. All DIP Reimbursement Claims to be paid on the Effective Date shall be estimated prior to and as of the Effective Date, and such estimates shall be delivered to the Debtor at least three Business Days before the anticipated Effective Date; *provided*, that such estimates shall not be considered an admission or limitation with respect to such DIP Reimbursement Claims. On or as soon as practicable after the Effective Date, final invoices for all DIP Reimbursement Claims incurred prior to and as of the Effective Date shall be submitted to the Debtor. In addition, the Debtor and the Reorganized Debtor shall continue to pay when due pre- and post-Effective Date any DIP Reimbursement Claims in accordance with, and subject to, the terms of the DIP Order and the DIP Credit Facility Documents, whether incurred before, on, or after the Effective Date, without any requirement for review or approval by the Bankruptcy Court, the U.S. Trustee, or any other party.

**E. Agreements with Supporting Creditors**

21. In accordance with the RSA Assumption Order, the Amendment Agreements, including any schedules, annexes, and exhibits thereto, are approved in all respects, and the pertinent leases, agreements, and contracts shall, as amended by the Amendment Agreements, be assumed and binding on the Reorganized Debtor and the applicable Supporting Creditors as of the Effective Date. Entry into, and compliance with, the Amendment Agreements represent a valid exercise of the Debtor's business judgment and is in the best interests of the Debtor, its Estate, and its stakeholders.

22. To the extent not otherwise paid and notwithstanding any contrary limitations or conditions to such payment in an order of the Bankruptcy Court other than this Confirmation Order, the Debtor or the Reorganized Debtor, as applicable, is authorized to pay outstanding and invoiced Restructuring Expenses on the Effective Date, in accordance with the terms of the Restructuring Support Agreements without the requirement for the filing of retention applications, fee applications, or any other applications in the Chapter 11 Case, and without any requirement for further notice or Bankruptcy Court review or approval.

**F. Cancellation of Loans and Securities**

23. Except as otherwise provided in the Plan, the Exit Facility Documents (including in connection with any express written amendment of any mortgage, deed of trust, Lien, pledge, or other security interest under the Exit Facility Documents), or in any contract, instrument, release, or other agreement or document created pursuant to the Plan upon the indefeasible payment in full in Cash of an Other Secured Claim, any Lien securing an Other Secured Claim that is indefeasibly paid in full, in Cash, shall be deemed released and discharged, and the holder of such Other Secured Claim shall be authorized and directed to release any Collateral or other property of the Debtor (including any Cash collateral) held by such holder and

to take such actions as may be requested by the Reorganized Debtor to evidence the release or discharge of such Lien, including the execution, delivery and filing or recording of such releases or discharges as may be requested by the Reorganized Debtor, and the Reorganized Debtor and its designees shall be authorized to file UCC-3 termination statements and other release or discharge documentation (to the extent applicable) with respect thereto. The filing of the Confirmation Order with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.

24. In addition, except for the purpose of evidencing a right to a Distribution under the Plan and except as otherwise set forth in the Plan, including with respect to executory contracts or unexpired leases that shall be assumed by the Debtor, on the Effective Date, all agreements, instruments, and other documents evidencing any Claims or any Interest (other than Intercompany Claims that are not modified by the Plan) and any rights of any holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect solely as against the Debtor and the obligations of the Debtor thereunder shall be deemed fully satisfied, released, extinguished, and discharged as to the Debtor without any need for further action or approval of the Bankruptcy Court or any holder thereof or any other Person or Entity, and the Reorganized Debtor shall not have any continuing obligations thereunder or in any way related thereto, except as expressly provided in the Plan.

**G. Securitization Facilities**

25. The Debtor and/or Reorganized Debtor, as applicable, shall be deemed to have assumed the Securitization Documents on the Effective Date pursuant to Section 5.15 of the Plan. All Claims in connection with the Securitization Documents (including any related Intercompany Claims), if any, shall be Reinstated.

**H. Executory Contract and Unexpired Leases**

26. The rejections, assumptions, and assumptions and assignments, as applicable, of the Executory Contracts and Unexpired Leases set forth in the Plan are approved pursuant to sections 365(a) and 1123 of the Bankruptcy Code, effective as of the Effective Date and/or in accordance with the terms and conditions specified in the Plan Supplement in respect of the Executory Contracts and Unexpired Leases set forth in the Plan Supplement. Each assumed executory contract or unexpired lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, without regard to whether such document is specifically listed in any notice of assumed contracts. Upon assumption, the Cure Amounts shall be paid by the Debtor or the Reorganized Debtor, as applicable, on or after the Effective Date in the ordinary course and/or in accordance with any agreement between the Debtor and the non-Debtor counterparty to the assumed Executory Contract or Unexpired Lease.

27. Any party that fails to object to the proposed assumption in accordance with the terms set forth in Section 8.2(c) of the Plan shall forever be barred and enjoined from objecting to the proposed assumption or to the validity of such assumption (including the provision of adequate assurance of future performance) or taking actions prohibited by the foregoing on account of transactions contemplated by the Plan. All unresolved Assumption Disputes arising from objections timely filed by the date of the Confirmation Hearing in accordance with the Plan (or as otherwise agreed by the Debtor and the counterparty to the relevant Assumed Contract) are hereby adjourned to an omnibus hearing scheduled by the Bankruptcy Court at a date to be determined, *provided* that resolution of any Assumption Disputes will not delay the Effective Date. To the extent an Assumption Dispute relates solely to



the Cure Amount, the Debtor may assume the applicable executory contract or unexpired lease prior to the resolution of an Assumption Dispute, *provided* that the Debtor reserves Cash in an amount sufficient to pay the full amount reasonably asserted as the required cure payment by the non-Debtor counterparty to such contract or lease (or such lesser amount as may be fixed or estimated by the Bankruptcy Court or otherwise agreed to by such non-Debtor counterparty and the Debtor or the Reorganized Debtor). To the extent an Assumption Dispute is resolved or determined unfavorably to the Debtor or the Reorganized Debtor, as applicable, the Debtor or Reorganized Debtor, as applicable, may reject the applicable executory contract or unexpired lease after such determination.

**I. New Common Stock**

28. All of the New Common Stock to be issued or distributed pursuant to the Plan shall be duly authorized, validly issued, fully-paid, and non-assessable consistent with the terms of the Amended Organizational Documents, and the holders of New Common Stock shall be deemed to have accepted the terms of the New Stockholders' Agreement (solely in their capacity as shareholders of Reorganized Debtor) and to be parties thereto without further action or signature. The New Stockholders' Agreement shall be effective as of the Effective Date and, as of such date, shall be deemed to be valid, binding, and enforceable in accordance with its terms, and each holder of New Common Stock shall be bound thereby. The New Stockholders' Agreement and the Amended Organizational Documents and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court.

29. All of the New Common Stock offered, issued or distributed pursuant to the Plan shall be exempt, pursuant to section 1145 of the Bankruptcy Code without further act or action by any Entity, from registration under (i) applicable securities laws, (including, without

limitation section 5 of the Securities Act of 1933, as amended (the “**Securities Act**”), and all rules and regulations promulgated thereunder), and (ii) any other applicable federal or applicable state or local law requiring registration for the offer, issuance, or distribution of the New Common Stock. The New Common Stock issued or distributed pursuant to the Plan will, except as provided in the Amended Organizational Documents and the New Stockholders Agreement, be freely transferable by any holder thereof subject to (i) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act and (ii) to the extent applicable at the time of any future transfer of such securities or instruments, compliance with any (A) rules and regulations of the Securities and Exchange Commission and (B) non-U.S. law, rules and regulations.

30. The Debtor is hereby authorized to issue the New Common Stock in exchange for, or principally in exchange for, the Allowed DIP Tranche B Claims and the Allowed Class 3 General Unsecured Claims to the Holders of such Claims (or their assignees) in accordance with **Exhibit C**.

**J. Certain Credit-Card Processing Matters**

31. Notwithstanding Section 10.5 of the Plan, Elavon Financial Services DAC (UK Branch), First Data Merchant Services LLC, and American Express Travel Related Services Company, Inc., (collectively, and together with each of their affiliates, the “**Primary Servicers**”) may exercise their normal recoupment, setoff, reserve, and processing procedures in respect of claims and the netting of fees, chargebacks, and other amounts in accordance with the terms and conditions of agreements relating to credit card and debit transactions and processing between the Primary Servicers and the Debtor, which are all being assumed by the Reorganized Debtor pursuant to the Plan (as amended, the “**Assumed Credit Card Processing Agreements**”). All obligations of the Debtor and all operations, rights, and remedies of the Primary Servicers,

including the netting of prepetition and post-petition sales, refunds, fees, and chargebacks, arising under and pursuant to the Assumed Credit Card Processing Agreements shall remain fully enforceable against the Reorganized Debtor.

**K. Administrative Expense Bar Date**

32. Except as otherwise provided in the Plan, requests for payment of Administrative Expense Claims (other than DIP Claims, Professional Fee Claims, and Administrative Claims based on liabilities incurred by the Debtor from and after the Petition Date in the ordinary course of its business) must be filed and served on the Reorganized Debtor on or before the date that is 45 days after the Effective Date. Holders of Administrative Expense Claims that are required to, but do not, file and serve a request for payment of such Administrative Expense Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Expense Claims against the Debtor or its property and such Administrative Expense Claims shall be deemed discharged as of the Effective Date. Objections to any Administrative Expense Claims must be filed and served on counsel for the Reorganized Debtor and the requesting party no later than 21 calendar days after the filing of the final request for payment of the Administrative Expense Claim (unless otherwise agreed by the party seeking such Administrative Expense Claim).

**L. Exemption from Certain Taxes and Fees**

33. To the maximum extent permitted pursuant to section 1146(a) of the Bankruptcy Code, (i) the issuance, transfer, or exchange of any Securities, instruments, or documents, (ii) the creation of any Lien, mortgage, deed of trust, or other security interest, (iii) any transfers of property (whether direct or indirect) pursuant to the Plan or the Plan Supplement, including, without limitation, the Restructuring Transactions, (iv) any assumption, assignment, or sale by the Debtor of its interests in Executory Contracts or Unexpired Leases pursuant to

section 365 of the Bankruptcy Code, (v) the grant of collateral under the Exit Facility Documents, if applicable, and (vi) the issuance, renewal, conversion, modification, or securing of indebtedness by such means, and the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, the Plan Supplement, or this Confirmation Order, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of this Confirmation Order, the appropriate governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property with the payment of any such tax, recordation fee, or governmental assessment.

**M. Miscellaneous**

34. The requirements of Bankruptcy Rule 3020(e) that an order confirming a plan is stayed until the expiration of 14 days after entry are hereby waived. The terms of this Confirmation Order shall be immediately effective and enforceable upon its entry and shall not be stayed pursuant to Bankruptcy Rules 3020(e), 6004(h), 6006(d), or 7062.

35. Except as otherwise provided in the Plan or herein, notice of all pleadings filed in this case after the Effective Date shall be limited to the following parties: (i) the Reorganized Debtor, PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines (Attn: Nilo Thaddeus Rodriguez), (ii) counsel to the Reorganized Debtor, (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022 (Attn: Jasmine Ball, Nick S. Kaluk, and Elie J. Worenklein) and (b) Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, NY 10019 (Attn: David Rosenzweig and Francisco Vazquez), (iii) the U.S. Trustee, 201 Varick Street, Room 1006, New

York, NY 10014 (Attn: Susan A. Arbeit), (iv) counsel to the DIP Lenders, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Todd Wolynski, Richard Kebrdle, and Andrew Zatz), (v) any party known to be directly affected by the relief sought; and (vi) and any Entity or Person that files a renewed request after the Effective Date to receive documents pursuant to Bankruptcy Rule 2002.

36. The Debtor is authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to effectiveness set forth in Section 9 of the Plan.

37. On the Effective Date, the Plan shall be deemed substantially consummated under sections 1101(2) and 1127(b) of the Bankruptcy Code.

38. This Confirmation Order is a Final Order, and the period within which an appeal must be filed commences upon the entry hereof.

39. The Bankruptcy Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Confirmation Order.

Dated: \_\_\_\_\_, 2021  
New York, New York

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THE HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A to Confirmation Order**

**The Debtor's Chapter 11 Plan**

**Exhibit B to Confirmation Order**

**Confirmation Notice**

Jasmine Ball  
Nick S. Kaluk, III  
Elie J. Worenklein  
**DEBEVOISE & PLIMPTON LLP**  
919 Third Avenue  
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Telephone: (212) 909-6000  
Facsimile: (212) 909-6836

*Counsel to the Debtor and Debtor  
in Possession*

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

In re:

PHILIPPINE AIRLINES, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF EFFECTIVE DATE AND ENTRY OF ORDER (I) CONFIRMING THE  
DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION AND  
(II) GRANTING RELATED RELIEF**

**PLEASE TAKE NOTICE** that on November 12, 2021, the above-captioned debtor and debtor in possession (the “**Debtor**”) filed the solicitation version of its proposed *Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [ECF No. 260] (together with the Plan Supplement and all schedules and exhibits thereto, and as amended, supplemented, or modified from time to time, the “**Plan**”).<sup>2</sup>

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used in this Notice but not otherwise defined shall have the same meaning as in the Plan.



**PLEASE TAKE FURTHER NOTICE** that a hearing to consider the confirmation of the Plan was held by the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) on December 17, 2021.

**PLEASE TAKE FURTHER NOTICE** that on [●], 2021, the Bankruptcy Court entered the *Order (I) Confirming the Debtor’s Chapter 11 Plan of Reorganization and (II) Granting Related Relief* [ECF No. [●]] (the “**Confirmation Order**”).

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the terms of the Confirmation Order, the Debtor hereby provides notice of entry of the Confirmation Order.

**PLEASE TAKE FURTHER NOTICE** that all conditions precedent to the Effective Date set forth in Section 9.2 of the Plan have been satisfied or waived pursuant to Section 9.3 of the Plan, such that the Plan was substantially consummated, and the Effective Date occurred, on [●], 2021.

**PLEASE TAKE FURTHER NOTICE** that, except as otherwise provided in the DIP Order, the Restructuring Support Agreements, or the Plan, requests for payment of Administrative Expenses, other than DIP Claims, Professional Fee Claims, and Administrative Claims based on liabilities incurred by the Debtor from and after the Petition Date in the ordinary course of its business, must be served on the Reorganized Debtor on or before the date that **is 45 days after the Effective Date**. Each request for payment of an Administrative Expense must include, at a minimum, (i) the exact amount asserted to be owed by the Debtor; (ii) the name of the Holder of the purported Administrative Expense; (iii) the basis of the purported Administrative Expense; and (v) supporting documentation. **FAILURE TO TIMELY AND PROPERLY FILE AND SERVE A REQUEST FOR PAYMENT OF AN ADMINISTRATIVE EXPENSE SHALL RESULT IN SUCH ADMINISTRATIVE EXPENSE BEING FOREVER**

BARRED AND DISCHARGED. Objections to any Administrative Expense Claims must be filed and served on counsel for the Reorganized Debtor and the requesting party no later than 21 calendar days after the filing of the final request for payment of the Administrative Expense Claim (unless otherwise agreed by the party seeking such Administrative Expense Claim).

**PLEASE TAKE FURTHER NOTICE** that, pursuant to Section 8.3 of the Plan, unless otherwise provided by an order of the Bankruptcy Court that is entered after Confirmation, Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court and served upon the Debtor or Reorganized Debtor, as applicable, no later than 30 days after the Effective Date. ANY CLAIMS ARISING FROM THE REJECTION OF AN EXECUTORY CONTRACT OR UNEXPIRED LEASE NOT FILED WITHIN SUCH TIME SHALL BE DISALLOWED, FOREVER BARRED FROM ASSERTION, AND SHALL NOT BE ENFORCEABLE AGAINST THE DEBTOR OR THE REORGANIZED DEBTOR, OR PROPERTY THEREOF, WITHOUT THE NEED FOR ANY OBJECTION BY THE DEBTOR OR THE REORGANIZED DEBTOR OR FURTHER NOTICE TO, OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT OR ANY OTHER ENTITY.

**PLEASE TAKE FURTHER NOTICE** that, in order to continue to receive documents after the Effective Date pursuant to Bankruptcy Rule 2002, all Persons and Entities (excluding the U.S. Trustee) must file renewed requests to receive documents pursuant to Bankruptcy Rule 2002.

**PLEASE TAKE FURTHER NOTICE** that all filed versions of the Plan and other documents filed in this Chapter 11 Case may be viewed for free at the website of the Debtor's claims and solicitation agent, at <http://www.kcellc.net/pal>. You may also obtain copies of any

pleadings by visiting <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: [●], 2021  
New York, New York

DEBEVOISE & PLIMPTON LLP

By: /s/ DRAFT  
Jasmine Ball  
Nick S. Kaluk, III  
Elie J. Worenklein  
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*Counsel to the Debtor and Debtor in Possession*

**Exhibit C to Confirmation Order**

**Chart of New Common Stock Distributions**

<u>Creditor Name</u>	<u>MSN (If any)</u>	<u>Claim Amount</u>	<u>Amount of Equity<sup>3</sup></u>
Aircraft MSN 6201 LLC	6201	\$13,038,791.70	2,981,208.56
Aircraft MSN 6253 LLC	6253	\$14,219,293.70	3,251,120.28
Asia United Bank		\$75,068,229.17	17,163,710.62
Avation Pacific Leasing II Pte. Ltd.	61735	\$35,053,142.16	8,014,602.12
Avolon Aerospace AOE 106 Limited	6493	\$7,814,649.84	1,786,753.06
Avolon Aerospace AOE 108 Limited	6531	\$11,345,853.43	2,594,132.66
Avolon Aerospace AOE 95 Limited	1568	\$25,098,791.49	5,738,624.70
AWAS 1 Ireland Limited	7388	\$8,232,365.71	1,882,260.24
AWAS 5371 Trust	5371	\$7,673,254.61	1,754,424.25
Celestial Aviation Trading 100 Limited		\$1,990,818.10	455,183.59
Celestial Aviation Trading 68 Limited	1546	\$29,824,859.20	6,819,199.79
Celestial EX-IM Trading 1 Limited	37712	\$24,818,612.65	5,674,564.20
China Banking Corporation		\$65,063,194.44	14,876,144.72
CIT Aerospace International	1553	\$30,474,436.77	6,967,720.16
CIT Group Finance (Ireland)	236	\$76,363,126.29	17,459,777.81
CIT Group Finance (Ireland)	243	\$83,938,224.66	19,191,759.47
DCAL 1 Leasing Limited	5838	\$12,064,752.13	2,758,502.72
DCAL 2 Leasing Limited	1559	\$52,375,938.90	11,975,311.91
ECAF I 1482 DAC	1482	\$50,898,045.43	11,637,404.17
ECAF I 6363 DAC	6363	\$7,622,207.22	1,742,752.70
Engine Lease Finance Corp.		\$1,223,979.47	279,852.47
Falcon 2019-1 Aircraft 1 Limited	1531	\$45,959,997.53	10,508,361.61
Fly Aircraft Holdings Twenty-Eight Limited	6371	\$10,221,985.32	2,337,169.80
Fly Aircraft Holdings Twenty-One Limited	1467	\$52,135,287.68	11,920,289.06
Fly Aircraft Holdings Twenty-Six Limited	6330	\$10,086,689.29	2,306,235.51
Fly Aircraft Holdings Twenty-Two Limited	1475	\$52,440,802.02	11,990,142.31
Haitong Unitrust No. 3 Limited	7015	\$14,605,394.42	3,339,398.92
Haitong Unitrust No. 4 Limited	7180	\$8,474,502.81	1,937,622.82
HKAC Leasing 6291 (Ireland) Limited	6291	\$7,197,745.37	1,645,703.12
JPA No. 112 Co., Ltd.	1510	\$44,009,536.53	10,062,405.33
JPL Stratos Leasing 1 Limited	4984	\$4,570,699.19	1,045,051.40
LAF LEASING IRELAND 3	5310	\$2,321,734.76	530,844.86

<sup>3</sup> In accordance with section 6.14 of the Plan, if any Distributions of New Common Stock pursuant to the Plan would result in the issuance of a fractional share of New Common Stock, then the number of shares of New Common Stock to be issued in respect of such Distribution shall be calculated to one decimal place and rounded up or down to the closest whole share (with a half share or greater rounded up and less than a half share rounded down).

LIMITED			
Macquarie AirFinance Acquisitions (UK) Limited	5315	\$6,533,596.11	1,493,851.05
Nanshi Aviation Leasing Limited	303	\$20,757,226.83	4,745,962.95
Nanshi Aviation Leasing Limited	8813	\$4,190,694.73	958,166.62
Nanshi Aviation Leasing Limited	9087	\$4,189,769.46	957,955.07
Nanshi Aviation Leasing Limited	280	\$55,370,983.27	12,660,103.27
Nordic Aviation Leasing Twenty Four Pte. Ltd.	4582	\$7,128,377.98	1,629,842.85
Nordic Aviation Leasing Twenty Three Pte. Ltd.	4580	\$4,157,144.51	950,495.65
ORIX Aviation Systems Limited	6295	\$8,207,031.27	1,876,467.73
Pajun Aviation Leasing 1 Limited	61730	\$36,626,421.39	8,374,319.00
Pajun Aviation Leasing 2 Limited	61731	\$34,447,595.42	7,876,149.02
Pajun Aviation Leasing 3 Limited	61733	\$60,481,464.92	13,828,571.33
PAL Holdings Inc.		\$255,000,000.00	1,398,497,669.00
Philippine National Bank		\$86,842,526.47	19,855,803.32
PP5012 Aircraft Leasing Limited	5012	\$4,589,798.48	1,049,418.29
PP5103 Aircraft Leasing Limited	5103	\$4,584,785.45	1,048,272.11
Rolls-Royce PLC		\$89,496,109.00	20,462,522.34
RRPF Engine Leasing Limited		\$2,167,009.47	495,468.24
RRPF Engine Leasing Limited		\$4,353,261.90	995,336.22
SAF Leasing II (AOE 2) Limited	4777	\$3,345,877.83	765,006.44
SAF Leasing II (AOE 2) Limited	1566	\$44,986,076.90	10,285,682.96
SMBC Aviation Capital Limited	221	\$43,662,902.81	9,983,150.49
SMBC Aviation Capital Limited	228	\$86,740,716.53	19,832,525.34
TrueNoord Pinatubo Limited	4610	\$3,844,020.45	878,902.50
TrueNoord Pinatubo Limited	4612	\$3,906,146.94	893,107.20
Union Bank of the Philippines		\$20,003,055.56	4,573,528.12
Wilmington Trust SP Services (Dublin) Limited	4585	\$3,522,330.71	805,350.89
Wilmington Trust SP Services (Dublin) Limited	4587	\$2,521,420.48	576,501.30
Wilmington Trust SP Services (Dublin) Limited	4588	\$7,243,332.39	1,656,126.20
Wilmington Trust SP Services (Dublin) Limited	37709	\$37,300,000.00	8,528,327.01

**Exhibit B**

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the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code. As of the Voting Deadline, 100% in amount and 100% in number of holders of Claims in Class 3 (General Unsecured Claims) that voted on the Plan have voted to accept the Plan. Accordingly, pursuant to section 1126 of the Bankruptcy Code, the Plan has been accepted with respect to the Debtor by the sole Impaired Class entitled to vote to accept or reject the Plan.

IX. The Plan does not “discriminate unfairly” and is “fair and equitable” with respect to all Classes that are Impaired and voted to, or are deemed to, reject the Plan, because, among other things, (i) there are no holders of Claims or Interests that are junior to the Claims and Interests in the rejecting Classes that will receive property under the Plan on account of such Claims or Interests; and (ii) no holders of Claims or Interests in a senior Class to the rejecting Class will receive a recovery in excess of 100% of the Allowed amount of its Claim or Interest.

X. The Plan is in the best interests of creditors pursuant to section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis included in the Disclosure Statement and described in the *Declaration of Douglas Walker In Support of Confirmation of Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [\[ECF No. 314\]](#) and the *Supplemental Declaration of Douglas Walker In Support of Confirmation of Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [\[ECF No. 321\]](#) (together with the *Declaration of Nilo Thaddeus Rodriguez, Chief Financial Officer of the Debtor, In Support of Confirmation of the Chapter 11 Plan of Reorganization of Philippine Airlines, Inc.* [\[ECF No. 313\]](#), the “**Supporting Declarations**”) (i) is reasonable, persuasive and credible, (ii) utilizes reasonable and appropriate methodologies and assumptions; (iii) has not been controverted by other evidence; and (iv) establishes that each holder of an Impaired Claim or Interest either has accepted the Plan or



are approved and shall, as applicable, remain or be, effective as of the Effective Date, binding on all parties in interest in this Chapter 11 Case.

13. Pursuant to Bankruptcy Rule 3020(c)(1), the following Plan provisions are expressly approved and shall be effective on the Effective Date without further order or action by the Bankruptcy Court, any of the parties to such releases, or any other Entity: (i) Releases by Debtor (Section 10.6(a)); (ii) Releases by Holders of Claims or Interests (Section 10.6(b)); (iii) Exculpation (Section 10.7); and (iv) Injunction (Section 10.5). All parties deemed to grant the releases contained in Section 10.6(b) of the Plan are forever barred from asserting any Claim or Cause of Action against any of the Released Parties released thereby. For the avoidance of doubt, nothing contained in the Plan or this Confirmation Order shall be deemed to release security assignments that have been granted by aircraft lessors to their lenders and acknowledged by the Debtor.

14. Notwithstanding anything herein, the Reorganized Debtor shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Retained Causes of Action on the terms set forth in Section 10.8 of the Plan.

15. The Debtor shall cause a notice of the entry of this Confirmation Order and occurrence of the Effective Date, substantially in the form attached hereto as **Exhibit B** (the “**Confirmation Notice**”), to be filed and served upon (i) all parties listed in the creditor matrix maintained by KCC LLC (as the claims, noticing, and solicitation agent in this Chapter 11 Case), (ii) all parties that filed proofs of claim in this Chapter 11 Case, and (iii) such additional Persons and Entities as deemed appropriate by the Reorganized Debtor, no later than five business days after the Effective Date, and will cause KCC LLC to file an affidavit of service with the Bankruptcy Court. The Reorganized Debtor shall use commercially reasonable efforts to publish

the Plan. All Claims in connection with the Securitization Documents (including any related Intercompany Claims), if any, shall be Reinstated.

#### **H. Executory Contract and Unexpired Leases**

26. The rejections, assumptions, and assumptions and assignments, as applicable, of the Executory Contracts and Unexpired Leases set forth in the Plan are approved pursuant to sections 365(a) and 1123 of the Bankruptcy Code, effective as of the Effective Date and/or in accordance with the terms and conditions specified in the Plan Supplement in respect of the Executory Contracts and Unexpired Leases set forth in the Plan Supplement. Each assumed executory contract or unexpired lease shall include all modifications, amendments, supplements, restatements, or other agreements related thereto, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, without regard to whether such document is specifically listed in any notice of assumed contracts. Upon assumption, the Cure Amounts shall be paid by the Debtor or the Reorganized Debtor, as applicable, on or after the Effective Date in the ordinary course and/or in accordance with any agreement between the Debtor and the non-Debtor counterparty to the assumed Executory Contract or Unexpired Lease.

27. Any party that fails to object to the proposed assumption in accordance with the terms set forth in Section 8.2(c) of the Plan shall forever be barred and enjoined from objecting to the proposed assumption or to the validity of such assumption (including the provision of adequate assurance of future performance) or taking actions prohibited by the foregoing on account of transactions contemplated by the Plan. All unresolved Assumption Disputes arising from objections timely filed by the date of the Confirmation Hearing in accordance with the Plan (or as otherwise agreed by the Debtor and the counterparty to the

or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court.

29. All of the New Common Stock offered, issued or distributed pursuant to the Plan shall be exempt, pursuant to section 1145 of the Bankruptcy Code without further act or action by any Entity, from registration under (i) applicable securities laws, (including, without limitation section 5 of the Securities Act of 1933, as amended (the “**Securities Act**”)), and all rules and regulations promulgated thereunder), and (ii) any other applicable federal or applicable state or local law requiring registration for the offer, issuance, or distribution of the New Common Stock. The New Common Stock issued or distributed pursuant to the Plan will, except as provided in the Amended Organizational Documents and the New Stockholders Agreement, be freely transferable by any holder thereof subject to (i) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act and (ii) to the extent applicable at the time of any future transfer of such securities or instruments, compliance with any (A) rules and regulations of the Securities and Exchange Commission and (B) non-U.S. law, rules and regulations.

30. The Debtor is hereby authorized to issue the New Common Stock in exchange for, or principally in exchange for, the Allowed DIP Tranche B Claims and the Allowed Class 3 General Unsecured Claims [to the Holders of such Claims](#) (or their assignees) in accordance with **Exhibit C**.

**J. Certain Credit-Card Processing Matters**

31. Notwithstanding Section 10.5 of the Plan, Elavon Financial Services DAC (UK Branch), First Data Merchant Services LLC, and American Express Travel Related Services Company, Inc., (collectively, and together with each of their affiliates, the “**Primary Servicers**”)

may exercise their normal recoupment, setoff, reserve, and processing procedures in respect of claims and the netting of fees, chargebacks, and other amounts in accordance with the terms and conditions of agreements relating to credit card and debit transactions and processing between the Primary Servicers and the Debtor, which are all being assumed by the Reorganized Debtor pursuant to the Plan (as amended, the “**Assumed Credit Card Processing Agreements**”). All obligations of the Debtor and all operations, rights, and remedies of the Primary Servicers, including the netting of prepetition and post-petition sales, refunds, fees, and chargebacks, arising under and pursuant to the Assumed Credit Card Processing Agreements shall remain fully enforceable against the Reorganized Debtor.

**K. Administrative Expense Bar Date**

32. Except as otherwise provided in the Plan, requests for payment of Administrative Expense Claims (other than DIP Claims, Professional Fee Claims, and Administrative Claims based on liabilities incurred by the Debtor from and after the Petition Date in the ordinary course of its business) must be filed and served on the Reorganized Debtor on or before the date that is 45 days after the Effective Date. Holders of Administrative Expense Claims that are required to, but do not, file and serve a request for payment of such Administrative Expense Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Expense Claims against the Debtor or its property and such Administrative Expense Claims shall be deemed discharged as of the Effective Date. Objections to any Administrative Expense Claims must be filed and served on counsel for the Reorganized Debtor and the requesting party no later than 21 calendar days after the filing of the final request for payment of the Administrative Expense Claim (unless otherwise agreed by the party seeking such Administrative Expense Claim).