

**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)

**SUMMARY SHEET FOR FIRST INTERIM AND FINAL FEE APPLICATION OF  
SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE  
FINANCE LLC FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED AS FINANCIAL  
ADVISOR AND INVESTMENT BANKER TO THE DEBTOR AND DEBTOR IN  
POSSESSION FOR THE PERIOD SEPTEMBER 4, 2021 THROUGH DECEMBER 31,  
2021**

<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.



Name of Applicant	Seabury Securities LLC and Seabury International Corporate Finance LLC
Name of Client	Philippine Airlines, Inc.
Petition Date	September 3, 2021
Date of Retention	Order entered on October 26, 2021 authorizing retention <i>nunc pro tunc</i> to the Petition Date
Time Period Covered by this Application	September 4, 2021 through December 31, 2021
Final Compensation Sought this Period	\$5,496,250
Total Expenses Sought This Period	\$1,394.58 <sup>2</sup>
Total Compensation and Expenses Requested on a Final Basis	\$5,497,644.58
Total Compensation Paid to Date Pursuant to Interim Order	\$0
Total Expenses Paid to Date Pursuant to Interim Order	\$0
Compensation Sought in this Application Already Paid (or Credited Against Prepetition Retainer) Pursuant to a Monthly Compensation Order but not yet Allowed	\$1,360,000
Expenses Sought in this Application Already Paid (or Credited Against Prepetition Retainer) Pursuant to a Monthly Compensation Order but not yet Allowed	\$166.63
Number of Professionals Included in this Application	4
Are any rates higher than those approved or disclosed at retention? If yes, calculate and disclose the total compensation sought in this application using the rates disclosed in the retention application	N/A

This is a(n):      \_\_\_\_\_Monthly        X   Interim        X   Final application.

<sup>2</sup> Despite Seabury's good faith efforts, \$382.15 of such expenses were inadvertently not included in the Monthly Fee Statements.

**SUMMARY OF MONTHLY FEE STATEMENTS**

<i>Application</i>	<i>Total Compensation and Expenses Incurred for Period Covered</i>			<i>Total Amount Requested in Fee Statements</i>		<i>Total Unpaid</i>
<b>Date Filed/Docket No.</b>	<b>Period</b>	<b>Total Fees</b>	<b>Expenses</b>	<b>Fees (80%)</b>	<b>Expenses (100%)</b>	<b>Fees and Expenses</b>
12/06/21 Docket No. 295	09/04/21- 09/30/21	\$400,000.00	\$166.63	\$320,000.00	\$166.63	\$0.00 <sup>1</sup>
12/08/21 Docket No. 296	10/01/21- 10/31/21	\$400,000.00	\$0.00	\$320,000.00	\$0.00	\$80,000.00
12/14/21 Docket No. 311	11/01/21- 11/30/21	\$400,000.00	\$0.00	\$320,000.00	\$0.00	\$80,000.00
2/11/22 Docket No. 372	12/01/21- 12/31/21	\$400,000.00	\$845.80	\$320,000.00	\$845.80	\$400,845.80

<sup>1</sup> In accordance with Seabury's engagement letter, the September Retainer Fee was paid on September 1, 2021, prior to the Petition Date and the September expense reimbursement was paid upon the expiration of the objection deadline in accordance with the Interim Compensation Order.

SEABURY SECURITIES LLC AND SEABURY INTERNATIONAL CORPORATE  
FINANCE LLC

Fee Summary for the Period

September 4, 2021 through December 31, 2021

<b>Name of Professional</b>	<b>Position</b>	<b>Hours Billed</b>
Doug Walker	Managing Director	403.5
AJ Issenman	Director	32
Ken Raff	Director	15.5
Jeff Straebler	Consultant	68.5
<b>TOTALS</b>		<b>519.5</b>

By Project Category

<b>TASK DESCRIPTION</b>	<b>HOURS</b>
DIP and Exit Financing	186.5
Claims Analysis and Capitalization	25.75
Fleet Restructuring	40.5
Case Administration	236.25
Retention and Fee Applications	30.5
<b>TOTAL</b>	<b>519.5</b>

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

In re:

PHILIPPINE AIRLINES, INC.,<sup>2</sup>

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**FIRST INTERIM AND FINAL FEE APPLICATION OF SEABURY SECURITIES LLC  
AND SEABURY INTERNATIONAL CORPORATE FINANCE LLC FOR  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED AS FINANCIAL ADVISOR AND  
INVESTMENT BANKER TO THE DEBTOR AND DEBTOR IN POSSESSION  
FOR THE PERIOD SEPTEMBER 4, 2021 THROUGH DECEMBER 31, 2021**

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<sup>2</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.

Seabury Securities LLC and Seabury International Corporate Finance LLC (collectively, “Seabury”), financial advisor and investment banker to Philippine Airlines Inc., the debtor and debtor in possession in the above-captioned case (the “Debtor”), hereby submits its first interim and final fee 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 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 *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated September 30, 2021 (the “Interim Compensation Order”) [Docket. No. 125], for the allowance of compensation for professional services rendered by Seabury to the Debtor for the period September 4, 2021 through December 31, 2021 (the “Fee Period”), and for the reimbursement of actual and necessary expenses incurred by Seabury in connection with rendering such services during the Fee Period.

Pursuant to the Guidelines, Seabury submits the declaration of Douglas Walker, a Seabury Managing Director (the “Walker 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 Rule 2016-1(a), and the Interim Compensation Order.

### **Background**

3. On September 3, 2021 (the “Petition Date”), the Debtor filed a voluntary case under chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”).

4. The Debtor is authorized to operate its businesses and manage its properties as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

5. On September 30, 2021, the Court entered the Interim Compensation Order.

6. On October 13, 2021, the Debtor filed the Chapter 11 Plan of Reorganization of Philippine Airlines, Inc. [Docket. 193] (as may be amended, the “Plan”).

7. On December 17, 2021, the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Confirming the Debtor’s Chapter 11 Plan of Reorganization and (II) Granting Related Relief* [Docket No. 329]. The Effective Date (as such term is defined in the Plan) of the Plan occurred on December 31, 2021. *See Notice of Effective Date and Entry of Order (I) Confirming the Debtor’s Chapter 11 Plan of Reorganization and (II) Granting Related Relief* [Docket No. 338].

### **Case Status**

8. Seabury played an essential role in advising the Debtor through a complex chapter 11 case, which culminated in the confirmation of the consensual Plan. Seabury professionals,



together with the Debtor's other professionals, secured the Debtor's successful emergence from chapter 11 on December 31, 2021, which allowed the Debtor to emerge from bankruptcy protection as a viable, more efficient and healthy airline.

9. Seabury is proud of its contributions to the success of this Chapter 11 Case. During the Fee Period, Seabury helped the Debtor's transition into chapter 11, advised on all major strategic restructuring initiatives, helped develop the key components of the business plan, lead the fleet restructuring that resulted in 42 Restructuring Support Agreements, as well as helped raise both the DIP financing necessary to fund the Debtor's operations during this chapter 11 proceeding and optional exit financing contemplated by the Plan.

10. Seabury's efforts to advise and serve as financial advisor and investment banker to the Debtor during the Fee Period, were necessary and of substantial benefit to the Debtor. The professional services performed and expenses incurred were actual and necessary to preserve and protect the value of the Debtor's estate. In light of the complexity of the Chapter 11 Case 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 October 14, 2021 the Debtor filed the *Notice of Debtor's Application for Entry of an Order Authorizing Employment and Retention of Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker to the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 198] (the "Retention Application").

12. On October 26, 2021 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 to the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date* [Docket No. 220], authorizing the Debtor to employ and retain Seabury as their advisor effective as of the Petition Date.

13. On September 30, 2021, the Court entered the Interim Compensation Order, which approved certain compensation procedures for this case.

**Fees and Expenses for which Allowance is Sought**

14. Seabury seeks final allowance and approval of compensation for professional services rendered to the Debtor during the Fee Period in the aggregate amount of \$5,496,250.00 and reimbursement of actual and necessary expenses incurred in connection with such services in the aggregate amount of \$1,394.58 for a total allowance of \$5,497,644.58. To date, pursuant to the Interim Compensation Order, Seabury has received total payment of \$1,360,000.00 for the services rendered to the Debtor and \$166.63 for related expenses during the Fee Period.<sup>3</sup>

15. All services during the Fee Period for which compensation is requested by Seabury were performed for or on behalf of the Debtor. 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**.

16. 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.

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<sup>3</sup> These amounts reflects the 20% holdback on fees for the Fee Period, and include fees and expenses filed as part of Seabury's December 2021 Monthly Statement. As of the date hereof, the objection period for Seabury's December 2021 Monthly Statement remains pending.

- b. **Exhibit C** is a summary of the number of hours billed by Seabury during the Fee Period, organized by professional, as well as the corresponding detailed time records of professional services to the Debtor.
- c. **Exhibit D** is a summary of the Success Fees (as defined in the Retention Application) due during the Fee Period
- d. **Exhibit E** is Seabury's engagement letter, dated January 1, 2021.

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

<i>Application</i>	<i>Total Compensation and Expenses Incurred for Period Covered</i>			<i>Total Amount Requested in Fee Statements</i>		<i>Total Unpaid</i>
<b>Date Filed/Docket No.</b>	<b>Period</b>	<b>Total Fees</b>	<b>Expenses</b>	<b>Fees (80%)</b>	<b>Expenses (100%)</b>	<b>Fees and Expenses</b>
12/06/21 Docket No. 295	09/04/21-09/30/21	\$400,000.00	\$166.63	\$320,000.00	\$166.63	\$0.00
12/08/21 Docket No. 296	10/01/21-10/31/21	\$400,000.00	\$0.00	\$320,000.00	\$0.00	\$80,000.00
12/14/21 Docket No. 311	11/01/21-11/30/21	\$400,000.00	\$0.00	\$320,000.00	\$0.00	\$80,000.00
2/11/22 Docket No. 378	12/01/21-12/31/21	\$400,000.00	\$845.00	\$320,000.00	\$845.80	\$400,845.80

18. Pursuant to the terms of the Interim Compensation Order, each month Seabury served a copy of its Monthly Fee Statement, supported by time and disbursement records and a summary of services rendered and expenses incurred, upon each of the Fee Notice Parties (as defined in the Interim Compensation Order) in the format specified by the Guidelines, allowing each of the Notice Parties an opportunity to review and object to the Monthly Fee Statements.

19. In the *Declaration of Douglas Walker in Support of the Debtor's Application for*

*Entry of an Order Authorizing Employment and Retention of Seabury Securities LLC and Seabury International Corporate Finance LLC as Financial Advisor and Investment Banker to the Debtor and Debtor in Possession Nunc Pro Tunc to the Petition Date*, dated October 14, 2021 [Docket No. 198], Seabury disclosed that as of the date thereof, it held a retainer deposit equal to \$305,000.00. Seabury intends to apply the balance of this retainer to reduce the amount sought in this Application.

### **Summary of Services**

20. During the Fee Period, Seabury rendered substantial professional services in furtherance of the Debtor's reorganization efforts and its chapter 11 case. The following is a summary of these professional services rendered by Seabury during the Fee Period. Although the below represents Seabury's attempt to summarize the nature of the services performed, it is not intended to be a detailed description of all such services.

#### **(a) Fleet Restructuring**

*Total hours expended by Seabury: 40.5*

Time spent in this category includes:

- Assisting with the Debtor's aircraft fleet restructuring and counterparty negotiations and undertakings in connection with and pursuant to the Restructuring Support Agreements
- Advising the Debtor with aircraft return procedures for rejected aircraft

#### **(b) DIP and Exit Financing**

*Total hours expended by Seabury: 186.5*

Time spent in this category includes:

- Attending calls with DIP lenders and DIP lender counsel, and exit lenders and exit lender counsel

- Analyzing exit facility structures and details, negotiating terms
- Coordinating exit lender due diligence
- Meeting with the Debtor's management and board regarding exit financing

**(c) Case Administration**

*Total hours expended by Seabury: 236.25*

Time spent in this category includes:

- Coordinating case activities with other advisors and the Debtor
- Attending court hearings
- Regular briefings with the Debtor's management team and other advisors
- Periodic internal team meetings regarding upcoming deadlines and responsibilities

**(d) Retention and Fee Applications**

*Total hours expended by Seabury: 30.5*

Time spent in this category includes:

- Discussions with the Debtor and Debtor's counsel with respect to retention matters
- Preparation of Seabury's retention application and related disclosures
- Preparation and review of fee statements and fee applications

**(e) Claims Administration**

*Total hours expended by Seabury: 25.75*

Time spent in this category includes:

- Calls to discuss claims status and process with aircraft counterparties
- Analysis of aircraft-related claims
- Assistance with respect to the Plan's distribution and allocation

- Discussions with prospective investors, interested parties regarding valuation, claim pool, equity mechanics and related matters

21. 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 Debtor 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.

22. As noted, attached hereto in **Exhibit C** is a listing of each Seabury professional who performed services in this case during the Fee Period and the aggregate number of hours by each such individual.

### **Basis for Relief**

23. 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.

24. 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).

25. Seabury respectfully submits that the services provided by its professionals on behalf of the Debtor 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 the Chapter 11 Case, 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**

26. 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**

27. Notice of this Application will be provided in accordance with the Interim Compensation Order. The Debtor respectfully submits that no further notice is required.

**No Prior Request**

28. Except for prior Monthly Fee statements, no previous request for the relief sought herein has been made by Seabury to this or any other Court.

*[Remainder of page intentionally left blank]*



**CONCLUSION**

WHEREFORE, Seabury respectfully requests that the Court enter an order (i) approving this Application; (ii) providing that the sum of \$5,496,250 as Seabury's compensation for reasonable and necessary professional services rendered to the Debtor and the sum of \$1,394.58 for reimbursement of actual and necessary costs and expenses incurred by Seabury, for a total of \$5,497,644.58 be allowed on a final basis; (iii) authorizing and directing the Reorganized Debtor 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  
February 14, 2022

By: /s/ Douglas Walker  
Douglas Walker

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

*Financial Advisor and Investment Banker to the  
Reorganized Debtor*

EXHIBIT A

Declaration

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

In re:

PHILIPPINE AIRLINES, INC.,<sup>4</sup>

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**DECLARATION**

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

1. 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 Debtor.

2. This declaration is submitted pursuant to Bankruptcy Rule 2016 in connection with Seabury's Application, dated February 14, 2022, for final compensation and reimbursement of expenses for the period commencing September 4, 2021 through and including December 31, 2021 in accordance with the Fee Guidelines (the “Application”).

3. 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 Rule 2016-1(a) and the Local Fee Guidelines

4. 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

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<sup>4</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.

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 Debtor and not on behalf of any other person.

5. 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 Debtor with a statement of Seabury's fees and expenses accrued during the previous month. In addition, I certify that Seabury has advised the Debtor and the U.S. Trustee on a regular basis of the fees and expenses incurred by Seabury, and has provided such parties with Seabury's statements of fees prior to the filing of this Application.

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

Dated: New York, New York  
February 14, 2022

By: /s/ Douglas Walker  
Douglas Walker

SEABURY SECURITIES LLC  
SEABURY INTERNATIONAL CORPORATE  
FINANCE LLC  
1350 Avenue of the Americas  
31<sup>st</sup> Floor  
New York, NY 10019  
Telephone: (212) 284-1150  
*Financial Advisor and Investment Banker to the  
Reorganized Debtor*

Exhibit B

**Summary of Expenses Incurred During Fee Period**

<b>Expense Category</b>	<b>Total Amount</b>
Transportation Expenses	\$1,011.58
Hotel Expenses	\$156.37
Business Meals	\$226.63
<b>Total:</b>	<b>\$1,394.58</b>

Exhibit C

**Detailed Time Entries for Fee Period**

<b>Name of Professional</b>	<b>Position</b>	<b>Hours Billed</b>
Doug Walker	Managing Director	403.5
AJ Issenman	Director	32
Ken Raff	Director	15.5
Jeff Straebler	Consultant	68.5
<b>TOTALS</b>		<b>519.5</b>

**D. Walker**

<b>Date</b>	<b>Hours</b>	<b>Category</b>	<b>Description</b>
9/4	2.5	Case Admin	Multiple calls w/ PAL management and advisors regarding communications strategy re filing and next steps.
9/5	7	Case Admin	Review (2.0) and revise (3.5) first day pleadings, prep for first day hearing re possible testimony (1.5).
9/6	3.5	Case Admin	Participate in weekly working group call (1.5); further review first day pleadings and agreements (2.0).
9/7	6.5	Case Admin (4.5); Claims Analysis (2)	Legal prep call (1.5); multiple calls w/ key stakeholders ahead of hearing (3.0); calls with interested parties as to case details, claims, investment opportunities (2.0).
9/8	3.5	Case Admin	Additional prep for first day hearing, including reviewing final documents and talking points with PAL and other advisors.
9/9	6	Case Admin	Participate in prep meeting with PAL management (4.0); prepare for first day hearing (1.0); emails with PAL re first day hearing (1.0).
9/10	6	Fleet Restructuring (4.5); DIP & Exit (1.5)	Calls w/ key stakeholders re first day hearing (4.5); correspondence internally and with DIP lender counsel regarding collateral (1.5).
9/13	5	Case Admin	Discussions w/ PAL re UST reporting requirements (3.0); attend working group call (1.5); misc. client conversations

			(0.5).
9/14	8	Case Admin (4); DIP & Exit (4)	Attend exit kickoff teleconference (2.5); call with senior management re same (1.5); attend legal working group call (1.0); discussions and correspondence re same (3.0).
9/15	4.5	Retention Application	Discussions internally (4.0) and w/ D&P (.5) regarding application, conflicts searches, and related issues.
9/16	3.5	DIP & Exit (2); Retention (1.5)	Discussions w/ DIP lender regarding equity incentive plan (2.0); discussions internally regarding client database (1.5).
9/20	4	Case Admin	Working Group call (1.5); prep for same (2.5).
9/21	5	Case Admin (3); Fleet Rest (2)	Meetings w/ lessors (2.0); teleconferences w/ senior management (3.0).
9/22	5	DIP & Exit (2); Fleet Rest (3)	Correspondence re collateral (2.0); meetings w/ lessors (3.0).
9/23	5.5	DIP & Exit (3.5); Retention (2)	Exit term sheet call and prep therefor (3.5); correspondence w/ Debevoise & Plimpton re application (2.0).
9/24	6	DIP & Exit (2); Retention (2); Fleet Res (2)	Client calls re exit term sheet (2.0); internal and D&P calls re retention (2.0); lessor and lender calls regarding case progression (2.0).
9/25	3	Case Admin	Correspondence and discussions w/ interested parties (2.0); client calls re same (1.0).
9/26	3	DIP & Exit	Exit term sheet revisions.
9/27	7.5	Case admin (4.5); DIP & Exit (1); Retention (2)	Discussions with interested parties (2.5); attend working group call and prep therefor (2.0); TC w/ DIP counsel (1.0); correspondence w/ D&P and internal follow up re same (2.0).
9/28	6	Case admin (4); Fleet (1); Retention (1)	Attend senior management and legal working group calls (4.0); calls w/ several creditors re fleet restructuring (1.0); correspondence and discussions re UST client search request (1.0).
9/29	7.5	Case admin (1.5); DIP & Exit (5); Retention (1)	Revision and distribution of exit term sheet (5.0); conversations w/ PAL and advisors re same (1.5); calls and correspondence re retention application (1.0).
9/30	4.5	Case admin (3.5); Retention	Attend second day hearing and prep therefor (3.5); D&P

		(1)	and internal calls re retention application (1.0).
10/1	0.5	Retention	Review revised retention application and correspondence with D&P re same.
10/4	8	Case admin (6); Fleet Rest (2)	Correspond with PAL management re schedules, timelines and POR workstreams (3.0); review PBH and soft-landing agreements (2.0); participate in weekly working group call (1.0); respond to correspondence re second borrowing notice (2.0).
10/5	7.5	Case admin (6); Fleet Res (1.5)	Prep for (1.5) and participate in weekly senior management call (2.5); one-on-one discussions and correspondence with PAL management re POR (2.0); participate on weekly legal call (1.0); review execution copies of lessor agreements and correspondence re same (.5).
10/6	4.5	Case admin	Review initial drafts of POR and DS (2.0); review latest company financial projections (1.0); discussions re same (1.0); respond to correspondence re claims summary (.5).
10/7	1.5	DIP & Exit	Review draft company valuation (.5); prepare revisions re same (.5); internal conversation re same (.5).
10/8	5	Case admin (4); DIP & Exit (1)	Review W&C comments to Mabuhay security agreement and correspondence re same (1.0); attend lessor meeting re fleet restructuring, business outlook (2.0); conversations with PAL and D&P re case timing (1.0); respond to correspondence with trade media re case background (1.0).
10/10	1.5	DIP & Exit	Attend meeting to review company valuation (1.0) and prep therefor (.5).
10/11	9.5	Case admin (5); DIP & exit (4.5)	Attend meeting with exit lender re facility (1.5); attend meeting w/ PAL management re exit financing, case timeline, strategic matters (3.0); review lessor PBH agreements and correspondence re rent calculations (2.5); participate in weekly working group call and prep therefor (1.0); review of revised liquidation analysis and participate in client conference call re same (1.5).
10/12	10.5	Case admin	Review distribution of revised company valuation and D&P correspondence re same (3.5); prepare revised draft of company town hall presentation (2.5); review D&P revisions to retention papers (.5); respond to correspondence w/ D&P re DS and POR (1.5); participate on weekly senior management call (1.5); prepare for (.5) and participate on (.5) weekly legal working group call.
10/13	11.5	Case admin	Finalize POR and DS (4.5); attend multiple D&P and client conversations (2.5); respond to correspondence re same (2.0); finalize creditor town hall presentation (2.5).
10/14	13	Case admin	Revise creditor presentation (1.5); prepare for (3.5) and participate in (2.0) creditor town hall meeting; respond to correspondence re post-meeting (2.0); attend discussions



			regarding certain disclosures and methodologies (2.5); further revise creditor deck (1.5).
10/15	3	Case admin	Participate on client FP&A call re cost savings, balance sheet impact (2.0); correspond with lessor from town hall (1.0).
10/18	11	Case admin (10); Fleet Res (1)	Attend OEM conference call re fleet restructuring (2.0); participate on client calls re same (3.5); participate on conference calls with four prospective investors re unsecured claims trading (3.0); participate on weekly working group call (1.5); review lessor PBH agreements (1.0).
10/19	4.5	Case admin (3); DIP & Exit (1.5)	Review lender comments to exit facility term sheet (.5); participate on client discussions re same (1.0); participate on weekly senior management call (2.0); prepare for (.5) and attend (.5) weekly legal working group call.
10/20	4	Case admin (3); DIP & Exit (1)	Revise creditor presentation (2.0); respond to correspondence w/ prospective investors (1.0); respond to correspondence w/ NRF, D&P and client re lender comments to exit facility TS (1.0).
10/21	1	Case admin	Attend discussion w/ OEM re town hall follow-up (.5); respond to correspondence with client re same (.5).
10/22	5.5	Case admin	Prepare for (1.0) and participate in (1.0) 341 meeting; attend lessor and lender meetings re case progress, unsecured claims, timeline (3.5).
10/25	3	Case admin (2); DIP & Exit (1)	Participate on weekly working group call (2.0); review NRF revisions to exit facility term sheet (1.0).
10/26	4.5	Case admin (2.5); DIP & Exit (2)	Prepare exit lender presentation (1.0); participate on conference call with prospective investor (1.0); participate on weekly senior management call (2.5).
10/27	5	DIP & Exit	Prepare for (1.5) and participate on (1.5) management call with exit lenders; finalize distribution of lender presentation (1.0); review revisions to bankers' model (1.0).
10/28	1.5	Case admin	Follow-up call w/ prospective investor (1.0); give media interview re case progress, company's competitive positioning (.5).
10/29	3	Case admin	Review NRF correspondence re lessor RSAs (.5); review D&P and client correspondence re UST reporting requirements (1.0); review further revisions to bankers' model (1.5).
10/31	2	DIP & Exit	Prepare for (.5) and attend (1.0) client conference call to review revised financial projections; respond to correspondence re same (.5).
11/1	2.5	DIP & Exit (1); Case Admin (1.5)	Review distribution of financial model (.5); correspond with lenders and company re same (.5); participate in weekly working group call and prep therefor (1.5).
11/2	5.5	DIP & Exit (2.5);	Conference call with lenders (.5); review of aircraft and

		Case Admin (3)	engine collateral and internal calls re same (.5); review of financial statement revisions and correspondence with client regarding possible discrepancies (1.5); participation in weekly legal team call (1.5); participate in weekly senior management call (1.5).
11/3	1.0	Fleet Res	Meeting w/ lessor re case progression.
11/4	2.5	DIP & Exit (1.5); Fleet Res (1)	Prepare distribution of collateral package to appraiser (1.5); prepare distribution presentation materials to lessor (.5); discussion re same (.5).
11/5	2.0	DIP & Exit	Receipt and review of revised term sheet (1.0); review appraiser engagement letter (.5); correspond with client re same (.5).
11/8	4.5	Case Admin	Review revised plan documents (2.5); participate in weekly working group call (1.5); review revised appraiser engagement letter (.5).
11/9	6.0	DIP & Exit (1); Case Admin (5)	Call with DIP lender's counsel (1.0); correspond with client and counsel re revised plan documents (1.0); review lessor rejection stipulations and RSAs and correspondence re same (1.5); participate in weekly senior management call (1.0); participate in weekly legal team call (1.0); preparation therefor (.5).
11/10	2.5	DIP & Exit	Review assembly of revised collateral package materials (1.5), correspond with client re same (1.0).
11/11	3.0	DIP & Exit	Finalize comments to exit term sheet (2.0); comment on distribution re same (1.0).
11/12	3.0	Case Admin	Prepare for disclosure statement hearing (1.0); participate in same (.5); prepare for Austin meetings (1.0); review counsel correspondence re executed PBH agreement (.5).
11/15	4.5	Case Admin (3.5); DIP & Exit (1)	Attend lessor and lender meetings re case progression (3.5); attend lender meeting re exit facility (1.0).
11/16	6.0	Case Admin (5); DIP & Exit (1)	Attend lessor and lender meetings re case progression (1.5); participate in weekly senior management call (1.0); participate in weekly legal team call (2.5); review analysis of Restructuring Committee comments to exit facility (.5); review client correspondence re same (.5).
11/17	4.0	Case Admin (1); DIP & Exit (3)	Review exit capitalization (.5); attend internal conference call re same (.5); attend client calls re exit facility (1.5); respond to correspondence re same (.5); review revised aircraft collateral materials (.5); calls and correspondence re same (.5).
11/18	10.5	Case admin (6); DIP & Exit (4.5)	Review comments to lessor ferry flight agreements (3.0); respond to correspondence re same (1.5); review post-reorg organizational issues (1.5); respond to correspondence re same (.5); review revised aircraft collateral materials (1.0); correspondence and calls re same (.5); attend meeting with

			PAL management (2.5).
11/19	4.0	Case admin (1); DIP & Exit (3)	Review analysis of share issuance issues (.5); respond to correspondence re same (.5); finalize aircraft collateral package and distribution of same to MBA (2.0); respond to correspondence with exit facility lenders (1.0).
11/22	10.0	Case admin (5.5); DIP & Exit (1.5); retention (3)	Attend client discussions re exit facility (1.0); review correspondence re Restructuring Committee comments to exit facility (.5); review revised claims model (1.5); review correspondence re final comments to ferry flight agreements (1.0); correspond with Edelman re media coverage (1.0); participate in weekly working group call (1.5); prepare first fee application (3.0).
11/23	10.0	Case admin (6); DIP & Exit (4)	Attend lender conference call re exit facility (1.5), prep therefor (1.0), debrief and follow-up thereafter (1.5); review further revisions to aircraft collateral package (1.0); correspondence and calls re same (1.5); review post-reorg organizational documents (1.0); participate in weekly working group call (2.0); participate in weekly legal team call (.5).
11/24	3.0	DIP & Exit	Review additional aircraft collateral materials (1.0); review arrangement of aircraft inspections (1.0); respond to lender correspondence re same (1.0).
11/26	1.5	Fleet Res	Review revised lease amendments (.5); review ferry flight agreements (.5); correspondence re same (.5).
11/29	6.5	Case admin (4); DIP & Exit (2.5)	Prepare analysis of open issues in lender term sheet negotiation (2.0); calls and correspondence re same (.5); review comments to post-reorg organizational documents (1.0); correspondence re same (.5); review revised claim model (.5); correspondence re same (.5); participate in weekly working group call (1.5).
11/30	6.0	Case admin (2); DIP & Exit (2); retention (2)	Attend client and counsel calls (1.5); respond to correspondence regarding open issues in exit term sheet (.5); review draft aircraft appraisal from MBA (.5); prepare revised pro forma capitalization (.5); review revised post-reorg organizational documents (.5); participate in weekly senior management call (.5); finalize September fee application (2.0).
12/1	6.5	DIP (2); Ret (2); Fleet (2.5)	Review exit term sheet and correspondence re same (2.0); prepare fee application (2.0); attend lender and lessor meetings re case progression, exit (2.5).
12/2	9	DIP (5); Ret (2); CAEC (2)	Conference calls w/ client, counsel, and lenders re comments to exit facility (5.0); further draft fee application (2.0); review exit capitalization and client call re same (2.0).
12/3	5.5	DIP (4); CAEC (1.5)	Conference calls with client, counsel, lenders re exit facility (3.0); review DIP lender comments to POR (1.0); review exit capitalization and client calls re same (1.5).

12/6	5.5	DIP (1.5); Ret (2.5); Case Admin (1.5)	Lender TCs re exit facility (1.5); prepare monthly fee application (2.5); attend working group call (1.5).
12/7	4	Case Admin (4)	Attend weekly management call (2.0); attend ad hoc management calls re misc. issues (1.0); TC w/ counsel to DIP lender re exit, misc. (1.0).
12/8	2.5	DIP (2.5)	Attend exit lender TC and prep therefor.
12/9	3.5	DIP (2); Fleet (1.5)	Review and discussion of exit facility w/ client, counsel (2.0); review revised promissory note calculations and client discussion re same (1.5).
12/13	6	Ret (2); Case Admin (4)	Prepare fee app (2.0); TC w/ prospective investor re unsecured claims (2.0); TC w/ lessor re same; WG call (2.0).
12/14	6.5	DIP (3); Case Admin (3.5)	Review exit TS comments and client discussions re same (2.0); lender TC re same (1.0); senior management call; client call re share issuance (3.5).
12/15	8	Case Admin (3); DIP (5)	TCs re unsecured claims with prospective investors (3.0); company and lender TCs re exit facility, correspondence re same (5.0).
12/16	1.5	DIP (1); Case Admin (.5)	Attend client TC re exit facility issues (1.0); call with prospective investor re unsecured claims (.5).
12/17	1.5	Case Admin (1.5)	Attend confirmation hearing (.5), client and counsel calls re same (1.0).
12/20	2.5	DIP (1); Case Admin (1.5)	Multiple client discussions re exit facility (1.0); attend working group call (1.5).
12/21	1.5	Case Admin (1.5)	SM call and prep therefor.
12/22	2.5	DIP (2.5)	Internal, client and lender TCs re exit facility.
12/27	2.5	Case Admin (1.5); DIP (1)	Attend working group call and correspondence re same (1.5); exit facility TC (1.0).
12/28	2	Ret (1); Case Admin (1)	Multiple client discussion re fee approvals, invoices (1.0); SM call and related matters (1.0).

#### A. Issenman

Date	Hours	Category	Description
9/14	1.5	DIP & Exit	Exit facility kickoff teleconference.

9/23	2	DIP & Exit	Exit term sheet call [partial] (1.5); internal discussion re same (.5).
10/7	0.5	DIP & Exit	Attend internal discussion re company valuation.
10/9	2	DIP & Exit	Revise valuation materials.
10/10	1.5	DIP & Exit	Further revise valuation materials (1.0), attend discussion re same (.5).
10/11	3	DIP & Exit	Update valuation slides (1.5); participate on weekly working group call (1.0); discuss valuation and liquidation analysis with client (.5).
10/12	2	DIP & Exit	Revise valuation materials (.5); draft liquidation analysis (1.0); attend discussion re same (.5).
10/15	0.5	DIP & Exit	Review creditor town hall materials.
10/27	1	DIP & Exit	Participate on (partial) management call with exit lenders.
11/8	1.5	DIP & Exit	Participate on weekly working group call.
11/11	1.5	DIP & Exit	Review exit facility term sheet.
11/15	0.5	DIP & Exit	Review post-emergence capital structure.
11/17	1.0	DIP & Exit	Review post-emergence capital structure (.5); participate in call re same (.5).
11/22	1.5	DIP & Exit	Participate on weekly working group call.
11/23	4.0	DIP & Exit	Participate on lender conference call re exit facility (1.5), prep therefor (1.0); debrief and follow-up thereafter (2.0).
11/29	1.5	DIP & Exit	Participate on weekly working group call.
12/3	1.5	DIP & Exit	Call re exit facility and review of proforma capital structure.
12/6	1.5	Case Admin	Attend working group call.
12/13	0.5	Case Admin	Compile hours for trustee.
12/14	1	DIP & Exit	Call with client re exit facility
12/16	0.5	DIP & Exit	Review of company enterprise value re exit facility.
12/22	1.5	DIP & Exit	Internal discussions and call to discuss exit facility structure.

**K. Raff**

Date	Hours	Category	Description
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9/6	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/13	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/20	1.5	Fleet Restructuring	Participate in weekly internal working group call.
9/27	1.5	Fleet Restructuring	Participate in weekly internal working group call.
10/4	1	Fleet Restructuring	Participate on weekly internal working group call.
10/11	1	Fleet Restructuring	Attend weekly internal working group call.
10/18	1.5	Fleet Restructuring	Attend internal working group call.
10/27	1.5	Fleet Restructuring	Participate on weekly internal team call.
11/8	1.5	Fleet Restructuring	Participate on weekly internal working group call.
11/15	1.5	Fleet Restructuring	Participate on weekly internal working group call.
11/22	1.5	Fleet Restructuring	Participate on weekly internal working group call.

**J. Straebler**

Date	Hours	Category	Description
9/5	1.5	DIP & Exit Financing	Review cost savings data re public filings and media disclosures.
9/6	1.5	Claims Analysis & Exit Capitalization	Review claim calculations by MSN for updated first day filing.
9/9	1	DIP & Exit Financing	Review engine vs airframe relative value calculations for Exit Facility collateral.
9/13	1.5	DIP & Exit Financing	Review engine maintenance status information by PAL for Exit Facility collateral.

9/14	3	DIP & Exit Financing	Review serviceability of aircraft and engines to determine potential inclusion in Exit Facility (1.5); update half-life CMV chart to reflect current info per PAL (1.5).
9/14	6	DIP & Exit Financing	Review update of maintenance condition as of 1 Oct 2021 for potential inclusion as collateral for Exit Facility.
9/22	2.5	DIP & Exit Financing	Revise potential collateral package for exit facility.
9/23	3	DIP & Exit Financing	Conduct bottoms-up review of change in valuation of potential collateral package for Exit Facility.
9/25	1	DIP & Exit Financing	Conduct model review re exit facility.
9/26	0.5	DIP & Exit Financing	Review potential collateral for inclusion in exit facility.
9/27	1.5	DIP & Exit Financing	Review (.5) and comment on (1.0) Exit Facility, collateral file re PAL revisions.
9/29	0.5	DIP & Exit Financing	Review distribution of Exit Facility collateral file.
10/4	1	Claims Analysis and Capitalization	Participate on weekly working group call.
10/7	0.5	DIP & Exit	Attend discussion re valuation.
10/11	1	Claims Analysis and Capitalization	Participate on weekly working group call.
10/13	5.5	Claims Analysis and Capitalization	Review creditor town hall materials (3.0); review (1.0) and revise (1.5) valuation and liquidation analysis.
10/14	1	Claims Analysis and Capitalization	Review revised creditor town hall materials.
10/18	1.5	Claims Analysis and Capitalization	Participate on weekly working group call.
10/25	1.5	Claims Analysis and Capitalization	Participate on weekly working group call.
10/26	1.5	Claims Analysis and Capitalization	Review revised creditor town hall materials.
10/27	0.5	Fleet Restructuring	Review revisions to fleet model.
10/28	2.5	DIP & Exit	Review (1.0) bankers model; revise same (1.5).
10/29	0.5	DIP & Exit	Review updated bankers' model.
10/31	2.5	DIP & Exit	Review revised financial projections (.5); participate on call re same (1.0); review exit lender presentation (1.0).

11/2	2.5	DIP & Exit	Review and revise lender presentation (2.0); review aircraft collateral materials (.5).
11/8	3.5	Case Admin (1.5); DIP & Exit (2)	Participate on weekly working group call (1.5); review revised claims data, revise claims model (2.0).
11/10	1.5	DIP & Exit	Review aircraft collateral materials (1.0); respond to correspond re same (.5).
11/17	3.0	DIP & Exit	Review revised aircraft collateral materials (1.5); review correspondence re same (1.5).
11/18	0.5	DIP & Exit	Review correspondence re revised aircraft collateral materials.
11/22	1.5	Case Admin	Participate on weekly working group call.
11/23	2.0	DIP & Exit	Review bankers' model and collateral package (1.5); discuss same (.5).
11/29	3.5	Case Admin (2); DIP & Exit (1); retention (.5).	Review revised claims data and revise claims model (.5); discuss same (.5); participate on weekly working group call (2.0); prepare November fee statement (.5).
12/9	2.25	Claims Analysis & Capitalization (2.0); Case Admin (.25)	Prepare promissory note schedule calculations (2.0); compile hours for trustee (.25).
12/12	0.50	Case Admin	Compile hours for trustee.
12/13	1.75	Claims Analysis & Capitalization	PAL management call promissory note schedule calculations and claims analysis.
12/16	1.00	Case Admin	Internal calls with team re case administration matters.
12/22	2.0	Claims Analysis & Capitalization	Further revise and update fleet master file re claims analysis.



Exhibit D

Calculation of Success Fee

## **In re Philippine Airlines, Inc., Seabury Fee Calculations**

<b>Total Case Fees - Summary</b>	
Monthly Retainer Fees	\$ 1,600,000
Net Success Fee (after 50% credit of Retainer Fees)	\$ 3,896,250
<b>Total</b>	<b>\$ 5,496,250</b>

<b>Chapter 11 Success Fee</b>	<b>Fee</b>
	\$1,500,000

<b>Fleet Restructuring Success Fee</b>	<b>Amount</b>	<b>Fee Rate</b>	<b>Fee</b>
Deferrals [1]	\$ 1,017,918,122	1.25%	\$ 12,723,977
Permanent Reductions [2]	\$ 1,330,460,510	5.00%	\$ 66,523,025
Deliveries (Units)	13 \$ 125,000		\$ 1,625,000
<b>Total</b>			<b>\$ 80,872,002</b>
<b>Fleet Restructuring Cap</b>			<b>\$ 2,500,000</b>

<b>Financing Success Fee</b>	<b>Amount</b>	<b>Fee Rate</b>	<b>Fee Discount</b>	<b>Net Fee Rate</b>	<b>Fee</b>
Tranche A - Existing Shareholders	\$ 250,000,000	2.00%	95.00%	0.10%	\$ 250,000
Tranche B - Existing Shareholders	\$ 255,000,000	3.50%	95.00%	0.18%	\$ 446,250
<b>Total</b>					<b>\$ 696,250</b>
<b>Financing Fee Cap</b>					<b>\$ 3,500,000</b>

<b>Total Success Fees - Gross</b>	<b>Fee</b>
Chapte 11 Success Fee	\$ 1,500,000
Fleet Restructuring Success Fee	\$ 2,500,000
Financing Success Fee	\$ 696,250
<b>Total Success Fees [3]</b>	<b>\$ 4,696,250</b>

### **Notes**

[1] Deferrals are total nominal debt deferrals related to aircraft and engine financings

[2] Permanent reductions are NPV of lease and Rolls Royce negotiated reductions

[3] The Debtor has not finalized the Secured Exit Facility and therefore no fees are being sought in conenction with Seabury's efforts to secure that facility.

Exhibit E

Seabury Engagement Letter



Seabury International Corporate Finance LLC  
Seabury Securities LLC  
Member: FINRA / SIPC  
1350 Avenue of the Americas, 31<sup>st</sup> Floor  
New York, NY 10019  
T +1 212 284 1150

PROPRIETARY & CONFIDENTIAL

1 January 2021

Philippine Airlines, Inc.  
PNB Financial Centre  
Pres Diosdado Macapagal Avenue  
CCP Complex  
1300 Pasay City  
Metro Manila  
Philippines

Attn: Mr. Gilbert Santa Maria  
President and Chief Operating Officer

*Re: Investment Banking & Financial Advisory Engagement for PAL Restructuring*

Dear Gilbert:

We are pleased to set forth in this agreement (this "**Agreement**"), including any appendices or exhibits hereto, the terms and conditions under which Seabury International Corporate Finance LLC and Seabury Securities LLC, a FINRA-regulated broker-dealer, together with one or more of their affiliates (collectively, "**Seabury**"), will provide investment banking and financial advisory services to Philippine Airlines and its subsidiaries and affiliates (collectively, "**PAL**" or the "**Company**") with respect to the restructuring of the Company. This Agreement supersedes all provisions of any and all prior agreements between and among the parties hereto.

#### **Section 1. Services.**

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, of managing 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. Evaluate the Company's debt capacity and alternative capital structures;
- F. Analyze various restructuring scenarios and make recommendations with respect to the same to the Company's management and board of directors;
- G. Provide strategic advice with regard to restructuring and/or refinancing initiatives and activities;
- H. Assist with the restructuring and/or refinancing of aircraft debt and lease obligations, as necessary under the business plan;
- I. Assist with the restructuring and/or refinancing of any material non-aircraft debt and lease obligations, as necessary under the business plan;
- J. Assist with the restructuring of aircraft purchase and/or maintenance service obligations, as necessary under the business plan;

A handwritten signature in blue ink, consisting of a stylized, cursive script, located in the bottom right corner of the page.

**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 2

- K. Participate in any other negotiations with the Company's major suppliers, lenders, lessors and other interested parties as necessary to effectuate the successful restructuring of the business, including in the case of any restructuring under the US Bankruptcy Code, 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. In the event of any court-supervised process, 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, through a competitively run process, with securing (a) additional interim liquidity to fund the completion of the restructuring process and (b) long-term debt and/or equity capital to support the Company's emergence and recovery (each a "**Financing Transaction**"); and
- N. In the event of any merger or acquisition, assist the Company in conducting due diligence, negotiating agreements and executing such an M&A transaction (an "**M&A Transaction**").

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

**Section 2. Compensation.**

**A. Monthly Retainer Fees.**

The Company agrees to pay to Seabury monthly retainer fees (the "**Retainer Fees**") equal to four hundred thousand US dollars (US\$400,000), payable on the first business day of each month, fifty percent (50%) of which after the fourth full month shall be creditable against any Success Fees (as defined below).

**B. Success Fees.**

The Company agrees to pay to success fees (the "**Success Fees**") as follows.

**Fleet Restructuring Success Fee**

Upon the execution of definitive agreements with respect to the following, the Company shall pay to Seabury a success fee ("**Fleet Restructuring Success Fee**") equal to:

1. for deferrals of aircraft debt, lease and/or other payment obligations (including pre-delivery payments), one and one-quarter percent (1.25%) of the amount deferred;
2. for permanent reductions of aircraft debt, lease and/or other payment obligations (including through rent reduction, return condition reduction and/or early lease terminations), five percent (5.0%) of the net present value thereof (using an 8% per annum discount rate); and
3. for firm aircraft deliveries with a manufacturer that are deferred on favorable terms, cancelled, or exchanged for another aircraft type (in each case other than as may be permitted under the existing agreement(s)), a fee of one hundred twenty-five thousand US dollars (US\$125,000) per aircraft obligation so modified;

provided, however, that the Fleet Restructuring Success Fee shall not exceed two and one-half million US dollars (US\$2,500,000).

**Financing Success Fee**





**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 3

Upon the closing of any Financing Transaction, the Company shall pay to Seabury a success fee ("**Financing Success Fee**") equal to:

1. with respect to any equity capital, three and one-half percent (3.5%) of the amount raised;
2. with respect to any unsecured debt capital, three percent (3.0%) of the principal amount raised; and
3. with respect to any debt capital secured by any combination of aircraft, engines, and the Mabuhay Miles loyalty program assets, two percent (2.0%) of the principal amount raised;

*provided, however*, that the Financing Success Fee shall be reduced by ninety-five percent (95%) to the extent of any portion of the debt and/or equity capital provided by the Company's existing controlling shareholder, and *provided further* that the Financing Success Fee shall not exceed three and one-half million US dollars (US\$3,500,000), except in the case that equity capital is raised from parties other than the controlling shareholder, in which case the Financing Success Fee shall not exceed four and one-half million US dollars (US\$4,500,000).

**Chapter 11 Success Fee**

In the event the Company should pursue a court-supervised reorganization under Chapter 11 of the United States Bankruptcy Code, upon the confirmation of a plan of reorganization, the Company shall pay to Seabury a success fee ("**Chapter 11 Success Fee**") equal to one and one-half million US dollars (US\$1,500,000).

- F. **Deposit.** On the date of this Agreement, the Company shall pay to Seabury a deposit of four hundred thousand US dollars (US\$400,000) (the "**Deposit**"). Such Deposit will be credited against any fees and expenses payable by the Company under this Agreement. Any remainder shall be returned to the Company as soon as practicable after the expiration or termination of the Agreement.
- G. **Wire Transfers.** All payments for services performed under Sections 1 shall be made to Seabury International Corporate Finance LLC via wire transfer as provided on its invoice, unless alternative instructions are made by Seabury in writing to the Company. Amounts shall be due within fourteen (14) calendar days from invoice, and any past-due amounts shall accrue interest until paid in full at the rate of one and one-half percent (1.5%) per month, but not to exceed the highest rate permissible under law. In addition, the Company agrees to pay or reimburse Seabury for all collection costs incurred by Seabury, including reasonable attorneys' fees. Past due is defined as payment owed to Seabury for greater than thirty (30) days.

**Section 3. Expenses.**

The Company will reimburse Seabury promptly upon receipt of monthly written notice for its documented and reasonable out-of-pocket expenses, including in particular airfare, hotel and other travel-related costs, incurred by Seabury in connection with the Services under the Agreement. Seabury personnel shall be reimbursed for economy class travel (or its equivalent) except for travel greater than four (4) 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 for such reasonably incurred 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.



**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 4

**Section 4. Term.**

The Company shall retain Seabury's services under Section 1 through the earliest to occur of (i) in the event of an out-of-court restructuring, the later/last to occur of the effective date(s) of such restructuring and the closing(s) of any related capital raises; (ii) in the event of a court-supervised restructuring, the later/last to occur of the confirmed plan of reorganization for the Company becoming effective and the closing(s) of any related capital raises, (iii) completion of any M&A Transaction; (iv) the date this Agreement is subject to an early termination under the provisions of Section 5 below.

**Section 5. Termination.**

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

- (i) Seabury and the Company may terminate this Agreement upon mutual written agreement.
- (ii) The Company may terminate the Agreement with immediate effect by written notice to Seabury without further liability or obligation whatsoever on the part of the Company at any time it determines in good faith that Seabury has materially defaulted in the performance of its obligations hereunder and Seabury fails to remedy the same within five (5) days from receipt of written notice of termination to the reasonable satisfaction of the Company ("**Termination for Cause**").
- (iii) Upon expiration of the engagement, the Company shall pay Seabury all retainer fees and success fees as described above that have accrued prior to such termination but are unpaid, and expense reimbursements due and payable under this Agreement are due and payable upon completion of this assignment.
- (iv) Upon Termination for Cause as provided in clause (ii) above, the Company shall pay Seabury all fees and expense reimbursements that have accrued prior to such termination but remain unpaid.
- (v) Except for Termination for Cause, should the Company enter into any restructuring and/or refinancing of aircraft or non-aircraft debt and/or lease obligations, or any restructuring of any aircraft purchase and/or maintenance service obligations, or any Financing Transaction or any M&A Transaction, within eighteen (18) months from a termination of this Agreement, the Company shall pay to Seabury the Success Fees that would have been otherwise due to Seabury if this Agreement had not been so terminated.
- (vi) Notwithstanding any of the foregoing, Sections 2, 3, 5, 6, 8, and 9 of this 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 Company irrevocably submits to the non-exclusive jurisdiction of any court of the State of New York for the purpose of any suit, action or other proceeding arising out of this letter agreement or our engagement hereunder.

**Section 7. Indemnification.**

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





**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 5

**Section 8. Miscellaneous.**

**Seabury's Other Relationships.** The Company acknowledges 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 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. All information regarding this engagement provided to Seabury by the Company or acquired by Seabury in the course of the engagement shall be kept confidential by Seabury and used solely to provide services to the Company hereunder. This confidentiality obligation shall be governed by the Confidentiality and Non-Disclosure Agreement signed by the parties dated as of the date hereof.

**Company's Obligations.** The Company agrees that materials prepared by Seabury for its use are for the exclusive use of the Company. The Company agrees that Seabury's work product cannot be shared with other parties without advance written consent of Seabury. Additionally, the Company agrees to keep the terms and conditions of this Agreement confidential.

**Successors and Assigns.** Seabury and the Company agree that neither party may assign this Agreement nor any portion of its duties hereunder without the prior written consent of the other party to this Agreement, and such consent may not be withheld unreasonably by the other party, provided that Seabury may subcontract the provision of various Services with affiliates of Seabury and affiliates of Accenture LLP without obtaining such written consent of Company, provided that Seabury shall remain liable towards the Company for the enforcement of all such subcontracted Services.

**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.

Each party 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. Each party accepts full and exclusive liability for the payments of workers' compensation and employer's liability insurance premiums with respect to its own 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 its employees, measured by the wages, salaries, compensation, or other remuneration paid to its employees.

**Section 9. Taxes.**

Seabury's fees do not include applicable taxes. The Company will be responsible for the payment of all taxes in connection with this Agreement including, but not limited to, sales, use, excise, value-added,





***PROPRIETARY AND CONFIDENTIAL***

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 6

business, service, goods and services, consumption, entity level withholding, and other similar taxes or duties. The Company will reimburse Seabury for any deficiency relating to taxes that are the Company's responsibility under this Agreement. Except as otherwise provided, each party will be responsible for its own income taxes, employment taxes, and property taxes. The parties will cooperate in good faith to minimize taxes to the extent legally permissible when reasonable. In a timely manner, each party will provide to the other party any direct pay permits, treaty certification, withholding tax certificates and other information reasonably requested by the other party.

**Section 10. 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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A handwritten signature in blue ink, appearing to be a stylized 'J' or 'P' followed by a flourish, located in the bottom right corner of the page.


**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 7

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 INTERNATIONAL CORPORATE FINANCE LLC

  
By: \_\_\_\_\_  
Douglas Walker  
Managing Director

SEABURY SECURITIES LLC

  
By: \_\_\_\_\_  
John E. Luth  
Chairman, President & CEO


Accepted and agreed to this \_\_\_ day of January 2021

PHILIPPINE AIRLINES, INC.

  
By: \_\_\_\_\_  
Gilbert Santa Maria  
President/COO

Accepted and agreed to this \_\_\_ day of January 2021

PHILIPPINE AIRLINES, INC.

  
By: \_\_\_\_\_  
Nilo Thaddeus P. Rodriguez  
SVP-Finance/CFO

**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 8

**Appendix A**

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

Gentlemen:

In connection with the engagement of Seabury International Corporate Finance LLC and Seabury Securities LLC and any of their affiliates (collectively, "**Seabury**") to advise and assist the Undersigned (referred to herein as "**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 foregoing, 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 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 so to notify us shall not relieve us from any obligation hereunder unless 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 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





**PROPRIETARY AND CONFIDENTIAL**

Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 9

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.

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.

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 within a period of two (2) years from execution of the Agreement, notwithstanding any termination or expiration of Seabury's engagement.

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**PROPRIETARY AND CONFIDENTIAL**


Philippine Airlines  
Financial Advisory Engagement for Restructuring  
1 January 2021  
Page | 10

Very truly yours,

PHILIPPINE AIRLINES, INC.


By:   
Gilbert Santa Maria  
President/COO

PHILIPPINE AIRLINES, INC.


By:   
Nilo Thaddeus P. Rodriguez  
SVP-Finance/CFO

Accepted and agreed to this [ ] day of January 2021

SEABURY INTERNATIONAL CORPORATE FINANCE LLC

By:   
Douglas Walker  
Managing Director

SEABURY SECURITIES LLC

By:   
John E. Luth  
Chairman, President & CEO