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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-____ (____)

**DEBTOR’S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (A)
AUTHORIZING DEBTOR TO MAINTAIN AND USE EXISTING CASH
MANAGEMENT SYSTEMS, BANK ACCOUNTS AND BUSINESS FORMS; (B)
AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED
CHECKS AND TRANSFERS; (C) WAIVING COMPLIANCE WITH SECTION 345 OF
THE BANKRUPTCY CODE; AND (D) GRANTING RELATED RELIEF**

Philippine Airlines, Inc., the above-captioned debtor and debtor in possession (the “**Debtor**” or “**PAL**,” and collectively with the Debtor’s non-debtor affiliates, the “**Airline**”), hereby moves (the “**Motion**”) for entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “**Interim Order**” and the “**Final Order**,” respectively, and collectively the “**Proposed Orders**”), granting the relief described below. In support of the Motion, the Debtor relies upon and incorporates by reference the *Declaration of*

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



Nilo Thaddeus Rodriguez in Support of First Day Motions and Applications (the “**First Day Declaration**”), which was filed with the Court on the Petition Date (as defined herein). In further support of the Motion, the Debtor, by and through its undersigned proposed counsel, respectfully represents:

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012. The Debtor confirms its consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are sections 105(a), 345, 363, 364, 503 and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Bankruptcy Rules 6003 and 6004.

Background

4. On September 3, 2021 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is authorized to continue to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the date hereof, no trustee, examiner or statutory committee has been appointed in this chapter 11 case (the “**Chapter 11 Case**”).

5. The Debtor and its affiliates are the largest airline group in the Philippines and the Debtor is the national flag carrier of the Philippines. Its principal activity is to provide air transportation for passengers and cargo within and outside the Philippines. The Debtor is among the oldest airlines in the Asia Pacific region, having been founded in February 1941. With approximately 4,500 employees and over \$3 billion in annual gross revenue prior to the COVID-19 pandemic, the Debtor is the leading airline in the Philippines airline market.

6. In 2020, the Debtor was confronted with an extraordinary set of circumstances and flight disruptions induced by the COVID-19 pandemic. The COVID-19 crisis has had a catastrophic impact upon the aviation industry, causing major airlines to effectively halt many business operations. For major airlines such as PAL, the dramatic reduction in worldwide air travel caused significant balance sheet losses and created intractable challenges to meeting existing payment obligations.

7. In response to these unprecedented circumstances, PAL undertook a number of cost cutting measures and began discussions with key stakeholders in the hopes of mapping out a healthy future for the Airline. Those discussions, which spanned many months and involved all major stakeholders and their retained professionals, culminated in several restructuring support agreements (the “**RSAs**”) with substantially all of its aircraft lessors and lenders outlining the material terms for a proposed chapter 11 plan of reorganization (the “**Proposed Plan**”). The RSAs and the Proposed Plan contemplate (a) the reduction of the Debtor’s aircraft related obligations by approximately \$2.1 billion, (b) a \$505 million infusion of working capital to fund the Debtor’s ongoing operations during the Chapter 11 Case and upon emergence from its primary shareholder (the “**DIP Lender**”), (c) optimizing the Debtor’s fleet size, composition and ownership costs as required by the new market, (d) maintaining and enhancing the Debtor’s key

contracts and business partners to strengthen the Debtor's viability during the pending COVID-19 pandemic and beyond, and (e) obtaining commitments for a \$150 million exit facility from new investors to ensure PAL has adequate liquidity and runway to complete its restructuring.

8. The Debtor likewise engaged in good faith negotiations with its other critical creditors, including its primary original equipment manufacturers ("**OEM**") and maintenance, repair, and overhaul service providers ("**MRO**"), to ensure that the Debtor continues to obtain the benefit of such critical goods and services. In addition, the OEMs and MROs have agreed to support the Proposed Plan by entering into RSAs, thereby providing additional certainty and predictability to the Debtor's restructuring and Chapter 11 Case.

9. Prior to the Debtor's Chapter 11 Case, the Debtor also (a) engaged in numerous good faith negotiations with a large number of its ordinary course vendors and suppliers, resulting in agreements to extend payment terms to provide the Debtor with additional breathing room and runway to assist it through the COVID-19 pandemic and (b) undertook a resizing of its operations, including the reduction of its workforce by 32% to meet expected post-COVID-19 operational needs.

10. Additional information regarding the events leading up to the Petition Date is set forth in the First Day Declaration and is incorporated herein by reference.

Relief Requested

11. By this Motion, the Debtor seeks entry of the Interim Order and Final Order, substantially in the forms attached hereto, authorizing the Debtor to (a) continue to operate its prepetition cash management system with respect to intercompany cash management and obligations as further described below (the "**Cash Management System**"), (b) fund the operations of affiliates and subsidiaries, (c) maintain the Debtor's existing bank accounts (collectively and, together with any accounts opened after the Petition Date, the "**Bank**

Accounts)² located at various banks and financial institutions (the “**Banks**”), and (d) maintain the Debtor’s existing business forms in the ordinary course of business and consistent with prepetition practice. Without the requested relief, the Debtor would be unable to maintain its operations, which would cause significant harm to the Debtor and the Debtor’s estate. The Debtor further requests that the Interim Order and the Final Order (i) authorize all Banks to receive, process, honor, and pay any and all checks, drafts, and other forms of payment, including fund transfers, on account of the Cash Management System, whether such checks or other requests were submitted before, on, or after the Petition Date, (ii) authorize the Banks to rely on the representations of the Debtor as to which checks and fund transfers are subject to this Motion, provided that no Bank shall have any liability to any party for relying on such representations, (iii) prohibit the Banks from placing any holds on, or attempting to reverse, any automatic transfers to any account of the Cash Management System, and (iv) authorize the Debtor to issue new postpetition checks or effect new postpetition fund transfers to replace any checks, drafts, and other forms of payment which may be dishonored or rejected, and to reimburse any expenses that may be incurred as a result of any Bank’s failure to honor a prepetition check or other form of payment.

The Debtor’s Cash Management System and Bank Accounts

12. In the ordinary course of business, the Debtor and its non-debtor affiliates utilize the Cash Management System to collect, concentrate, and disburse funds generated by the Debtor’s operations. The Cash Management System also enables the Debtor to perform cash

² Given the complexity of the Cash Management System and the over 90 Debtor Bank Accounts, this Motion describes the highlights of the Cash Management System and does not discuss every Bank Account. A non-exhaustive list of the Debtor’s Bank Accounts (with account numbers partially redacted) is attached hereto as **Exhibit C**. While this exhibit is intended to be a comprehensive schedule of the principal Bank Accounts, the Debtor, however, requests relief applicable to all Bank Accounts, regardless of whether such Bank Account is specifically identified on **Exhibit C**.

reporting, monitor the collection and disbursement of funds, and maintain control over intercompany obligations and the administration of the Bank Accounts. The Debtor also uses the Cash Management System to pay debt obligations, pay and receive derivative margin calls, and execute foreign exchange transactions.

13. The Cash Management System generally operates similarly to the centralized cash management systems used by other similarly-sized companies to manage the cash of several operating units in a cost-effective, efficient manner.

14. The Airline's Treasury Department in Pasay, Philippines, oversees the Cash Management System and implements cash management controls on behalf of the enterprise. In addition, the Treasury Department works in partnership with third-party resources and treasury employees in certain locations outside of the Philippines to process transactions. The Cash Management System was specifically tailored to meet the Airline's operating needs, enabling it to centrally control and monitor corporate funds and revenues, ensure cash availability and liquidity, and reduce administrative costs by facilitating the movement of funds. The Cash Management System is essential to efficient execution and achievement of the Debtor's strategic business objectives, and, ultimately, to maximizing the value of the Debtor's estate.

15. The Cash Management System currently consists of approximately 93 Bank Accounts maintained by the Airline at various Banks in jurisdictions around the world (including the U.S.) to conduct transactions necessary to the Airline's operations.³ A list of the Debtor's current Bank Accounts is attached hereto as **Exhibit C**.

³ The Debtor previously held certain investment accounts; however, the Debtor currently does not maintain any investment accounts.

16. The Cash Management System has three main components: (a) cash collection, (b) cash concentration, and (c) cash disbursement. The Airline generates revenue and expenses both within the Philippines and around the world (including in the U.S.), and therefore, the Cash Management System has both U.S. and international features. **Exhibit D** attached hereto is a chart that provides a general overview of the movement of cash through the Debtor's Cash Management System.

A. Cash Collection

17. The Debtor generates and receives funds from a wide variety of sources, including (a) direct sales of passenger tickets, (b) direct sales of cargo and storage services, (c) collection of credit and debit card receivables (whenever not assigned in connection with certain receivables securitization facilities), (d) remittance from travel agents, (e) receipt of financing from private and public sources, (f) sales of goods and services to other airlines, (g) receipts from charter operations, (h) provision of ancillary services to passengers, and (i) receipts from other compensation mechanics include Bank Settlement Plan, IATA Currency Clearance Service, and the Cargo Accounts Settlement System (“**CASS**”) from International Air Transport Association.

18. These funds are generally collected and temporarily stored in a variety of (a) deposit accounts (the “**Collection Accounts**”) and (b) general operating accounts (the “**Operating Accounts**”).

19. Direct Sale of Passenger Tickets. The Debtor sells passenger tickets to customers directly at airport ticketing counters and city ticketing offices, and by telephone, mail, and the Internet. Passengers directly purchase tickets with cash, checks, money orders, or other forms of direct payment, which the Debtor deposits in local Collection Accounts and Operating Accounts across the Philippines and around the world (the “**Direct Sales**”).

20. Direct and Indirect Sale of Cargo and Freight-Forwarding Services. The Debtor also provides cargo and storage services. The Debtor typically collects receipts from its cargo operations through (a) direct sales, (b) the CASS, and (c) remittances of Debtor's sales agents, as is the case for cargo sales remittances originating out of the United States. For the CASS and remittances from sales agents, settlement is done on a regular schedule, typically on a weekly basis.

21. Credit and Debit Card Receivables. Many customers and entities that purchase goods and services from the Debtor use a credit or debit card to pay for them. In these instances, the Debtor does not collect the funds directly from the customers but rather from the credit card companies or the banks and institutions that process the credit card transactions (collectively, the "**Credit Card Companies**"). When the credit card transaction takes place, a credit card receivable is generated and remitted from the Credit Card Companies (less a processing fee) into the Debtor's bank accounts. In some countries, the Debtor maintains separate collection accounts for these credit card receipts, whereas in others, credit card payments are received in the same bank accounts in which cash receipts are received. In certain countries, credit card receivables are assigned in connection with certain receivables securitization facilities.

22. Sales through Travel Agents. The Debtor receives remittances from travel agents through systems that coordinate the sale, reporting, and remitting procedures of sales agents. U.S. payments are received from the Airlines Reporting Corporation (ARC), while non-U.S. payments are typically received through the billing and settlement plan. The Debtor generally collects these payments in local bank accounts in the countries where each operating affiliate is located. However, there are some non-U.S. countries where the Debtor's general sales agents do

not have local bank accounts, and under those circumstances, the remittances are made through the Debtor's accounts in the U.S.

23. Other Indirect Sales. Additionally, to a lesser extent, the Debtor's indirect ticket sales are carried out through wholesalers and tour operators who buy tickets directly from the Debtor with a volume discount and resell them to passengers.

24. Sale of Miles. The Debtor operates a large frequent flyer program ("FFP") under its Mabuhay Miles Travel Card program. In addition to awarding miles to program members based on travel activity and other incentives, the FFP also sells miles to partner entities, to credit card partners, banks, and passengers in exchange for cash. The Debtor typically collects receipts from FFP miles sold in local accounts based on where the transaction occurs.

25. Miscellaneous. The Debtor also receives funds from a variety of other sources such as from extra baggage, flight schedule changes, and other passenger charges. These funds are received periodically and transferred into multiple Bank Accounts.

B. Cash Concentration

26. As described above, the Debtor collects cash in the Collection Accounts and Operating Accounts located all around the world. To manage its business, coordinate the payment of its outstanding obligations and earn the maximum return on its money, the Debtor may regularly draw these cash assets together into accounts used for concentrating the Debtor's cash (the "**Concentration Accounts**") or into Operating Accounts.

27. Primarily from the Concentration Accounts and Operating Accounts, the Debtor manages the daily movement of cash across the Cash Management System in order to meet outstanding payment obligations.

28. The Debtor has 24 Concentration Accounts, which are subject to cash pooling protocols, whereby cash is moved between bank accounts holding excess cash or facing

shortfalls of cash at the end of a day, and are subject to oversight from the Debtor's Treasury Department. Pooling procedures are in effect in the Philippines and the United States. The 24 Concentration Accounts serve the Debtor's main depository accounts, where most of the Debtor's receipts are credited. Funds in these same 24 accounts are also used to pay the vast majority of the Debtor's expense and disbursements, thus, it is critical for the Debtor to maintain adequate funding in each account. Of these, 18 of the 24 accounts are located in various countries outside of the Philippines, with the six accounts in the Philippines being maintained with only two local banks.

C. Cash Disbursements

29. Funds received in the Collection Accounts and Operating Accounts, or concentrated in the Concentration Accounts, are used by the Debtor to satisfy financial obligations. These disbursements are either (a) made through one of the Debtor's disbursement accounts (the "**Disbursement Accounts**") or (b) paid directly to the requisite party from the Concentration Accounts or Operating Accounts.

30. The Debtor maintains a number of Disbursement Accounts that are needed to fund specific obligations, including, but not limited to: (a) payroll and employee benefits, paid out of local bank accounts for each operating affiliate, (b) corporate payables to vendors, lessors, landlords, goods and service providers, and other entities, paid out of local disbursement accounts in nineteen countries, (c) taxes and fees, for which the Debtor has dedicated disbursement accounts in the Philippines, the U.S., Vietnam, Singapore, Hong Kong, China, Macau, Taiwan, Japan, Canada, Thailand, United Arab Emirates, United Kingdom, and Australia, (d) automated clearing house (ACH) payments as part of regularly scheduled clearinghouse reconciliations, and (e) intercompany transactions.

31. Disbursements are paid by wire, check, or ACH transfer or auto-debited out of one of the Concentration Accounts or the Disbursement Accounts. In addition, if a Disbursement Account is at a deficit or additional funding is otherwise required, the Concentration Accounts will fund the Disbursement Account in an amount appropriate to remove the deficit.

D. Debtor and Non-Debtor Intercompany Transactions

32. In the ordinary course of business, the Debtor and its non-debtor affiliates utilize the Cash Management System and otherwise engage in intercompany transactions among themselves (collectively, the “**Intercompany Transactions**”). Such Intercompany Transactions may result in the creation of intercompany receivables and payables among the Debtor and non-debtor affiliates, as applicable (the “**Intercompany Claims**”), which would be reflected in the Debtor’s accounting system. The non-debtor affiliates greatly enhance the value of the Debtor’s estate, but they could not function properly without being able to partake in Intercompany Transactions with the Debtor, as these Intercompany Transactions make up all, or a significant portion, of certain non-debtor affiliates’ revenue. Important categories of Intercompany Transactions include commercial agreements, maintenance services, and ground handling services with the following:

- Air Philippines Corporation, doing business as PalExpress (“**APC**”). APC and the Debtor have a Codeshare Agreement. Under the Codeshare Agreement, the Debtor markets the codeshare flights while APC operates the flights based on agreed-upon rates. Further, in accordance with the Codeshare Agreement, the Debtor directly undertakes some of the expenses of APC.

- Fortunate Star Limited (“**FSL**”), a Cayman Islands entity. The Debtor’s Intercompany Transactions with FSL, which include security deposits and other loan obligations, originate from various aircraft lease arrangements pursuant to which FSL lease to PAL certain aircraft that are used in the Debtor’s daily operations.⁴

33. If the Debtor is not permitted to engage in the Intercompany Transactions, the Debtor’s operations, the Cash Management System, and the execution of the Chapter 11 Case would be immediately disrupted, to the loss of the Debtor’s estate and the creditors. Thus, the Debtor seeks the authority, but not the direction, to continue the Intercompany Transactions in the ordinary course of business.

E. Corporate Card Programs

34. In the ordinary course of business and as part of the Cash Management System, the Debtor utilizes company credit cards (collectively, the “**Corporate Cards**”) for various work-related expenses (collectively, the “**Corporate Card Programs**”). Philippine National Bank (PNB) and Banco de Oro (BDO) (together, the “**Corporate Card Providers**”), both of which are Philippines banks, issue these Corporate Cards. As of the Petition Date, the Debtor has nine active Corporate Cards.

35. Every month, the Debtor receives statements for purchases made from the Corporate Cards (the “**Corporate Card Expenses**”), which are typically paid within 30 days

⁴ The Debtors describe in this Motion the primary Intercompany Transactions, although there may certain transactions with other affiliates that the Debtors believes are *de minimis* in nature.

after receipt of a statement. As of the Petition Date, any amounts due under these Corporate Card Programs are *de minimis* due to the current economic environment.

36. If the Debtor is not permitted to maintain the Corporate Card Programs, it would impose an unnecessary strain on the business operation of the Debtor. Additionally, the Debtor's inability to pay Corporate Card Expenses may impose great hardship on any employees who were issued Corporate Cards directly, as such employees may be held personally liable for such expenses despite the fact that they were incurred for the Debtor's benefit. Thus, the Debtor seeks authority, but not direction, to continue to pay all prepetition and postpetition Corporate Card Expenses and maintain the Corporate Card Programs in the ordinary course of business and in a manner consistent with past practices.

F. Credit Card Processing Fees

37. In the ordinary course of business and as part of the Cash Management System, the Debtor has entered into various service agreements with credit card processors regarding the processing of all of the Debtor's credit card transactions in exchange for a processing fee (the "**Merchant Services Agreements**"). In the U.S., the Debtor has engaged FISERV and American Express for this purpose. The uninterrupted processing of these transactions is essential to maintaining the proper functioning of the Debtor's Cash Management System.

38. Thus, the Debtor seeks authority, but not direction, to continue to operate under the Merchant Services Agreements in the ordinary course and in a manner consistent with past practices. The Debtor seeks authorization to pay or reimburse the credit card processors for obligations provided under the Merchant Service Agreements (including fees, charges, refunds, chargebacks, reserves, and other amounts due and owing from the Debtor to credit card processors) ("**Merchant Services Obligations**"), whether such obligations are incurred prepetition or postpetition, and for the credit card processors to receive or obtain payment for

such Merchant Services Obligations, as provided under, and in the manner set forth in, the Merchant Services Agreement, including by way of recoupment or setoff without further order of the Court. The Debtor believes there are no outstanding prepetition fees owed under the Merchant Services Agreements.

The Debtor's Existing Business Forms and Checks

39. In the ordinary course of business, the Debtor uses sequentially numbered check stock with the Debtor's logo printed thereon. In addition, the Debtor maintains preprinted correspondence and business forms, including, but not limited to, letterhead, envelopes, purchase orders, invoices, and sales order acknowledgements (collectively, along with the Debtor's checks, the "**Business Forms**"). To minimize administrative expense and delay, the Debtor requests authority to continue using the existing Business Forms, substantially in the forms existing immediately before the Petition Date, without reference to the Debtor's status as "Debtor in Possession;" *provided* that, as soon as reasonably practicable, the Debtor will cause any electronically generated Business Forms to reflect "Debtor in Possession" and the chapter 11 case number.

The Debtor Seeks Authorization to Open and Close Bank Accounts

40. Pursuant to this Motion, the Debtor also seeks authorization to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account, as the Debtor may deem necessary and appropriate. The Debtor requests that the Court authorize the Banks to honor the Debtor's requests to open or close, as the case may be, such bank accounts or additional bank accounts, provided however, that, unless otherwise ordered by this Court, any new bank account shall be with (a) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (b) a bank designated as an Authorized Depository under the U.S.

Trustee Guidelines or (c) any other bank, as the Debtor may determine upon consultation with the U.S. Trustee.

41. The Debtor further requests that nothing contained in the order granting the relief requested herein shall prevent the Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

Basis for Relief

A. Continuing the Centralized Cash Management System is in the Best Interests of the Debtor, The Creditors, and All Other Parties in Interest

42. The Debtor hereby seeks authority to continue using the current centralized, integrated Cash Management System. Given the Debtor's operations, as well as the goal of preserving and enhancing the going concern value, a successful reorganization of the Debtor's business simply cannot be accomplished if there is substantial disruption to the Cash Management System, including the Intercompany Transactions made thereunder. It is essential that the Debtor be permitted to continue to consolidate the management of its cash and transfer monies from entity to entity as necessary and appropriate to continue the operation of its business. If the Debtor were required to dismantle the Cash Management System, it would wreak havoc on its day-to-day operations and accounting practices and impair the Debtor's ability to generate timely reports of transactions and balances.

43. The widespread use of similar cash management systems is attributable to the numerous benefits they provide, including the ability to collect and apply receivables, pay operating expenses and other vendors, tightly control corporate funds, invest idle cash, ensure cash availability and reduce administrative expenses by facilitating the expeditious movement of funds, and the development of timely and accurate account balance and presentment information.

These controls are particularly important here, given the significant amount of cash that flows through the Cash Management System on an annual basis.

44. In addition, it would be very time consuming, practically difficult, and costly for the Debtor to establish an entirely new system of accounts and new cash management system, and doing so would disrupt the Debtor's relationships with its key customers and suppliers/vendors. The attendant delays from opening new accounts, revising cash management procedures, and instructing customers to redirect payments would harm the Debtor's ability to operate its business while pursuing these arrangements. Moreover, in order to ensure that the Airline will not be disadvantaged by funding costs allocable to non-debtor affiliates, the Debtor requests, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, that the Court grant administrative expense status to all postpetition Intercompany Claims arising from Intercompany Transactions provided by non-debtor affiliates to the Debtor. Under the circumstances, maintenance of the Cash Management System is essential and in the best interests of the Debtor's estate. Furthermore, preserving the "business as usual" atmosphere and avoiding the unnecessary and costly distractions that would inevitably be associated with any substantial disruption in the Cash Management System will facilitate the Debtor's reorganization efforts.

45. The Debtor will also maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case. As a result, the Debtor will be able to document and record the transactions occurring within the Cash Management System for the benefit of all parties in interest.

46. Allowing the Debtor to utilize the prepetition Cash Management System is consistent with the applicable provisions of the Bankruptcy Code. Section 363(c)(1) of the

Bankruptcy Code authorizes the debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without undue oversight by creditors or the court. *Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *In re Enron Corp.*, 2003 Bankr. LEXIS 2111 (Bankr. S.D.N.Y. Mar. 21, 2003); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). Included within the purview of section 363(c) is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. *Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 D.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtor seeks authority under section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, and disbursement pursuant to its Cash Management System described above.

47. To the extent that the Debtor’s continued funding of non-debtor affiliates is out of the ordinary course of business, it is justified by the unique facts and circumstances of this case. Among the Debtor’s valuable assets are its equity interests in, and intercompany receivables from, its subsidiaries and affiliates. If the subsidiaries and affiliates are not funded and cannot meet their obligations, there is a strong likelihood that they will decrease substantially in value, causing harm to the Debtor, the estate, and the creditors. As such, it is in the best interests of the Debtor’s estate for the Debtor to continue funding those subsidiaries and affiliates that the Debtor believes have value and the funding of which may benefit the Debtor’s estate.

48. Section 363(b)(1) of the Bankruptcy Code empowers the Court to allow a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” The

debtor's decision to use, sell or lease assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992) (holding that a judge deciding a section 363(b) application must find from the evidence presented before him or her a good business reason to grant such application); *see also Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *In re Global Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989) (noting the standard for determining a section 363(b) motion is "a good business reason").

49. The business judgment rule is satisfied "when the following elements are present: (1) a business decision, (2) disinterestedness, (3) due care, (4) good faith, and (5) according to some courts and commentators, no abuse of discretion or waste of corporate assets." *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992), *appeal dismissed*, 3 F.3d 49 (2d Cir. 1993) (internal quotations omitted). In fact, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Courts in this District have consistently and appropriately been loath to interfere with corporate decisions absent a showing of bad faith, self-interest, or gross negligence, and will uphold a board's decisions as long as they are attributable to any "rational business purpose." *In re Integrated Res. Inc.*, 147 B.R. at 656.

50. The Court may exercise its equitable powers to grant the relief requested herein. Section 105(a) of the Bankruptcy Code empowers the Court to "issue any order, process, or

judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Continuing the Debtor’s Cash Management System without interruption is vital to the Debtor’s survival of this Chapter 11 Case. The Cash Management System is a complex mechanism whereby the Debtor is able to transfer revenue toward the payment of its obligations and without which the Debtor’s reorganization would fail. It is well within the Court’s equitable power under section 105(a) to approve the continued use of the Cash Management System.

51. As noted, these procedures are similar to those employed by comparable corporate enterprises. Moreover, the relief requested herein to maintain the Debtor’s existing cash management system is routinely granted in chapter 11 cases by courts in this District. *See, e.g., In re Grupo Aeromexico, S.A.B. de C.V.*, Case No. 20-11563 (SCC) (Bankr. S.D.N.Y. Dec. 18, 2020) [ECF No. 746]; *In re LATAM Airlines Group S.A.*, Case No. 20-11254 (JLG) (Bankr. S.D.N.Y. Oct. 12, 2020) [ECF No. 1185]; *In re Avianca Holdings S.A.*, Case No. 20-11133 (MG) (Bankr. S.D.N.Y. July 6, 2020) [ECF No. 385]; *In re Synergy Pharm. Inc.*, Case No. 18-14010 (JLG) (Bankr. S.D.N.Y. Jan. 23, 2019) [ECF No. 253]; *Sears Holding Corp.*, Case No. 18-23538 (RDD) (Bankr. S.D.N.Y. Dec. 21, 2018) [ECF No. 1394]; *In re Avaya Inc.*, Case No. 17-10089 (SMB) (Bankr. S.D.N.Y. Mar. 31, 2017) [ECF No. 341]; *In re BCBG Max Azria Glob. Holdings, LLC*, Case No. 17-10466 (SCC) (Bankr. S.D.N.Y. Mar. 29, 2017) [ECF No. 245]; *In re Ultrapetrol (Bahamas) Ltd.*, Case No. 17-22168 (RDD) (Bankr. S.D.N.Y. Mar. 8, 2017) [ECF No. 102].⁵

G. Waiving the United States Trustee Guidelines Regarding Authorized Depositaries and Authorizing Maintenance of the Debtor’s Existing Bank Accounts and Business Forms is Warranted

⁵ Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtor’s proposed counsel.

52. For deposits or investments that are not “insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested in a bond in favor of the United States secured by the undertaking of an adequate corporate surety, “unless the court for cause orders otherwise.”

53. To help debtors comply with section 345 of the Bankruptcy Code, the United States Trustee maintains Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees (the “**Operating Guidelines**”) as well as a list of authorized depositories (the “**Authorized Depositories**”) at which debtors may maintain bank accounts. Unless otherwise ordered by the Court, the U.S. Trustee Guidelines require a debtor to, among other things: (a) establish one debtor-in-possession account for all estate monies required for the payment of taxes (including payroll taxes); (b) close all existing bank accounts and open new debtor-in-possession accounts; (c) maintain a separate debtor-in- possession account for cash collateral; (d) obtain checks that bear the designation “debtor in possession;” and (e) reference the bankruptcy case number and the type of account on such checks.

54. Congress has emphasized that the investment and deposit requirements of section 345 “can work to needlessly handcuff larger, more sophisticated debtors.” H.R. Rep. No. 103-834 (1994); 140 Cong. Rec. H10, 767 (Oct. 4, 1994). Thus, Congress added the waiver clause in section 345(b) “to allow the courts to approve investments other than those permitted by section 345(b) for just cause, thereby overruling *In re Columbia Gas Systems, Inc.*, 33 F.3d 294, (3d Cir. 1994).” 140 Cong. Rec. H10, 767 (Oct. 4, 1994).

55. As noted above, courts use a number of factors to determine whether “cause” exists to waive the requirements of section 345(b) and the U.S. Trustee Guidelines regarding authorized depositories. Here, the Debtor submits that “cause” exists to waive the requirements set forth by section 345(b) and the U.S. Trustee Guidelines regarding Authorized Depositories. Although the Debtor holds some of its Bank Accounts at Authorized Depositories, much of the Debtor’s cash is held in Bank Accounts that are not Authorized Depositories. However, the financial institutions with which such Bank Accounts are held include internationally-recognized, highly rated (according to Moody’s and S&P) and financially stable entities, including Philippine National Bank, Bank of China, and HSBC. Many of these entities are insured by deposit insurance corporations in their home jurisdictions, and are widely deemed to be as financially stable as the financial institutions on the U.S. Trustee’s Authorized Depository list.

56. Because these Bank Accounts are vital to the Cash Management System, the Debtor submits that requiring the Debtor’s funds to be moved to other banks would be unduly burdensome to the Debtor’s operations, which must seamlessly operate across multiple jurisdictions and multiple currencies.

57. To avoid delays in payments, to ensure as smooth a transition into chapter 11 as possible with minimal disruption, and to aid in the Debtor’s efforts to reorganize in accordance with the RSAs, it is likewise critical that the Debtor be permitted to maintain the Bank Accounts with the same account numbers following the commencement of this case, subject to a prohibition against honoring checks issued or dated before the Petition Date absent a prior order of the Court.

58. Courts in this District have recognized that, in complex chapter 11 cases, strict enforcement of the requirement that a debtor in possession close its bank accounts and open new bank accounts in accordance with the Operating Guidelines does not serve the rehabilitative purpose of chapter 11. Accordingly, this Court and others have waived this requirement. *See, e.g., In re Grupo Aeromexico, S.A.B. de C.V.*, No. 20-11563 (SCC) (Bankr. S.D.N.Y. Dec. 18, 2020) [ECF No. 746]; *In re LATAM Airlines Group S.A.*, Case No. 20-11254 (JLG) (Bankr. S.D.N.Y. Oct. 12, 2020) [ECF No. 1185]; *In re Avianca Holdings, S.A.*, No. 20-1113 (MG) (Bankr. S.D.N.Y. July 6, 2020) [ECF No. 385]; *In re Aegean Marine Petroleum Network Inc.*, Case No. 18-13374 (MEW) (Bankr. S.D.N.Y. Dec. 17, 2018) [ECF No. 237]; *In re Nine West Holdings, Inc.*, Case No. 18-10947 (SCC) (Bankr. S.D.N.Y. June 26, 2018) [ECF No. 428]; *In re Global A&T Electronics Ltd.*, Case No. 17-23931 (RDD) (Bankr. S.D.N.Y. Dec. 19, 2017) [ECF No. 36]; *In re Avaya Inc.*, Case No. 17-10089 (SMB) (Bankr. S.D.N.Y. Mar. 31, 2017) [ECF No. 341]; *In re BCBG Max Azria Glob. Holdings, LLC*, Case No. 17-10466 (SCC) (Bankr. S.D.N.Y. Mar. 29, 2017) [ECF No. 245].⁶ Similar authorization is appropriate in this Chapter 11 Case.

59. The Debtor also seeks an order granting the Banks authority to continue to treat, service, and administer the Bank Accounts as accounts of the Debtor as a debtor in possession without interruption and in the usual and ordinary course, and to receive, process, and honor and pay any and all postpetition checks, drafts, book transfers, wires, or ACH transfers drawn on the Bank Accounts by the holders or makers thereof, as the case may be, to the extent that the Debtor has good funds standing to its credit with such Bank.

⁶ Because of the voluminous nature of the order cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtor's proposed counsel.

60. Notwithstanding anything to the contrary in any other order of this Court, the Debtor requests that the Banks be authorized to accept and honor all representations from the Debtor as to which checks, drafts, book transfers, wires, or ACH transfers should be honored or dishonored consistent with any order of this Court and governing law, whether such checks, drafts, book transfers, wires, or ACH transfers are dated prior to, on, or subsequent to the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtor's instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) an innocent mistake made despite implementation of reasonable item-handling procedures.

61. The Debtor also requests that, in accordance with current practices and the agreements governing the Bank Accounts, the Banks be authorized to "charge back" to the Debtor's accounts any amounts incurred by the Banks resulting from returned checks or other returned items, and that the Debtor be authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items.

62. The Debtor further requests that any payment from a Bank Account at the request of the Debtor prior to the Petition Date (including any ACH transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of the Debtor pursuant to a "midnight deadline" or otherwise, be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition.

63. In the ordinary course of business, the maintenance of the Cash Management System causes the Debtor to incur approximately \$145,000 per month in charges and fees from

the Banks (the “**Bank Charges**”). The Debtor also seeks authority, but not direction, to continue to pay all prepetition and postpetition Bank Charges in accordance with the agreements governing them.

64. To minimize expenses, the Debtor further requests it be authorized to continue to use its Business Forms substantially in the forms existing immediately before the Petition Date, without reference to its status as debtor in possession, but that as soon as reasonably practicable, the Debtor will update its electronically produced checks to reflect its status as debtor in possession. As a result of the press releases issued by the Debtor and other press coverage, parties doing business with the Debtor undoubtedly will be aware of the Debtor’s status as debtor in possession. Furthermore, the Debtor also believes that including “debtor in possession” on foreign correspondence may cause confusion for individuals and entities that are not familiar with chapter 11. In the absence of such relief, the Debtor’s estate will be required to bear a potentially significant expense that the Debtor respectfully submits is unwarranted.

65. If the Debtor is not permitted to maintain and use its Bank Accounts and continue to use its existing Business Forms as set forth herein, the resulting prejudice will include (a) disruption of the ordinary financial affairs and business operations of the Debtor, (b) delay in the administration of the Debtor’s estate, (c) compromise of the Debtor’s internal controls and accounting system, and (d) cost to the estate to set up new systems and open new accounts and print new business forms.

H. The Debtor Seeks Authorization to Open and Close Bank Accounts

66. The Debtor also seeks authorization to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account as the Debtor may deem necessary and appropriate. The Debtor requests that the Court authorize the Banks to honor the Debtor’s

requests to open or close, as the case may be, such bank accounts or additional bank accounts, and that, unless otherwise ordered by this Court, any new bank account shall be with (a) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (b) a bank designated as an Authorized Depository under the U.S. Trustee Guidelines or (c) any other bank, as the Debtor may determine upon consultation with the U.S. Trustee.

67. The Debtor further requests that nothing contained in the order granting the relief requested herein shall prevent Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

**Cause Exists to Authorize the Debtor's Financial Institutions
to Honor Checks and Electronic Fund Transfers**

68. The Debtor has sufficient funds to pay the amounts described in this motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations and anticipated access to DIP financing. In addition, under the Debtor's existing cash management system, the Debtor can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. Accordingly, the Debtor believes that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtor respectfully requests that the Court authorize and direct all applicable financial institutions, when requested by the Debtor, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this motion.

The Debtor Has Satisfied Bankruptcy Rule 6003(b)

69. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a

motion to pay all or part of a claim that arose before the filing of the petition” within 21 days of filing a petition. Irreparable harm “is a continuing harm which cannot be adequately redressed by final relief on the merits and for which money damages cannot provide adequate compensation.” *Kamerling v. Massanari*, 295 F.3d 206, 214 (2d Cir. 2002) (internal quotations omitted). The “harm must be shown to be actual and imminent, not remote or speculative.” *Id.*

70. As set forth above, the Debtor believes an immediate and orderly transition into chapter 11 is critical to the viability of its operations and that any delay in granting the relief requested could hinder the Debtor’s operations and cause irreparable harm. The failure to receive the requested relief during the first 21 days of this Chapter 11 Case could severely disrupt the Debtor’s operations at this critical juncture and imperil the Debtor’s restructuring as contemplated by the RSAs. Accordingly, the Debtor submits that the relief requested herein is necessary to avoid immediate and irreparable harm, and that Bankruptcy Rule 6003(b) is satisfied.

Reservation of Rights

71. Nothing contained herein or any actions taken pursuant to such relief requested is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtor’s or any other party in interest’s right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion or any order granting the relief requested by this motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other

encumbrance on property of the Debtor's estate; (g) a waiver or limitation of the Debtor's, or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtor that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtor's or any other party in interest's rights to subsequently dispute such claim.

**Compliance With Bankruptcy Rule 6004(a) and Waiver of Stay Under
Bankruptcy Rule 6004(h)**

72. To implement successfully the relief sought herein, the Debtor requests that the Court find that notice of the Motion is adequate under Bankruptcy Rule 6004(a) under the circumstances. The Debtor also requests that, to the extent applicable to the relief requested in this Motion, the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtor seeks in this Motion is necessary for the Debtor to operate its business without interruption and to preserve value for its estate. Accordingly, the Debtor respectfully submits that ample cause exists to justify the finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

Notice

73. Notice of this Motion has been provided to the following parties, or, in lieu thereof, their counsel (the “**Notice Parties**”): (a) the Office of the United States Trustee for the Southern District of New York; (b) the holders of the 30 largest unsecured claims against the Debtor; (c) the parties to the RSAs; (d) the DIP Lender; (e) the United States Attorney’s Office for the Southern District of New York; (f) the Internal Revenue Service; (g) the Securities and Exchange Commission; (h) the Federal Aviation Administration; and (i) any party that has requested service pursuant to Bankruptcy Rule 2002. A copy of this Motion and any order approving it will also be made available on the Debtor’s Case Information Website located at www.kcellc.net/PAL. In light of the nature of the relief requested in this Motion, the Debtor respectfully submits that no further notice is necessary.

No Prior Request

74. The Debtor has not previously sought the relief requested herein from the Court or any other Court.

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WHEREFORE, the Debtor respectfully requests that the Court enter the Proposed Orders granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: September 3, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

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

EXHIBIT A

Proposed Interim Order

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-____ (____)

**INTERIM ORDER AUTHORIZING (A) DEBTOR TO MAINTAIN AND USE
EXISTING CASH MANAGEMENT SYSTEMS, BANK ACCOUNTS, AND BUSINESS
FORMS; (B) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED
CHECKS AND TRANSFERS; AND (C) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtor for entry of an interim order (this “**Order**”) and a final order authorizing (a) the Debtor to continue to use its existing cash management systems and maintain existing bank accounts and business forms and (b) financial institutions to honor and process related checks and transfers pursuant to sections 105(a), 345, 361(c)(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 6003 all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties and no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

requested in the Motion on an interim basis (the “**Hearing**”); and upon the First Day Declaration and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that immediate relief is necessary to avoid irreparable harm to the Debtor and its estate as contemplated by Bankruptcy Rule 6003(b) and is in the best interests of the Debtor, its estate, its creditors and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on an interim basis as set forth herein.

2. The Debtor is authorized and empowered, but not directed, pursuant to sections 105(a) and 363(c)(1) of the Bankruptcy Code, to continue to maintain, operate, and make transfers under its Cash Management System as described in the Motion (including the payment of Bank Charges and Merchant Services Obligations).

3. In accordance with its prepetition practices, the Debtor shall maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all transactions may be readily ascertained, traced, and recorded properly.

4. Additionally, the Debtor is authorized and empowered to continue performing, at its discretion, all Intercompany Transactions in its ordinary course of business; *provided however*, absent Court order the Debtor shall not make any cash payments relating to prepetition Intercompany Transactions.

5. Pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, administrative expense status shall be granted for all postpetition Intercompany Claims arising from

Intercompany Transactions provided by non-debtor affiliates to the Debtor. In accordance with its prepetition practices, the Debtor shall maintain records of all Intercompany Transactions to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all such transactions may be readily ascertained, traced, and recorded properly.

6. Pursuant to section 364(a) of the Bankruptcy Code, the Debtor is authorized, in connection with the ordinary course operation of its Cash Management System, to obtain unsecured credit and incur unsecured debt in the ordinary course of business without any further notice or hearing.

7. The Debtor is authorized to continue to maintain the Bank Accounts with the same account numbers following the commencement of this case.

8. The Debtor is authorized to continue to use its Cash Management System to fund non-debtor affiliates as it did prior to the Petition Date.

9. The Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course and to receive, process, and honor and pay any and all postpetition checks, drafts, book transfers, wires, or automated clearing house transfers (“**ACH Transfers**”) drawn on the Bank Accounts by the holders or makers thereof, as the case may be to the extent the Debtor has good funds standing to its credit with such Bank.

10. Notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtor as to which checks, drafts, book transfers, wires, or ACH Transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, book transfers, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and

whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court.

11. The Banks shall not be liable to any party on account of (a) following the Debtor's instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) an innocent mistake made despite implementation of reasonable item handling procedures.

12. In accordance with current practice and the agreement governing the Bank Accounts, the Banks are authorized to "charge back" to the Debtor's accounts any amounts incurred by the Banks resulting from returned checks or other returned items, and the Debtor is authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items.

13. Any payment from a Bank Account at the request of the Debtor made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of the Debtor pursuant to a "midnight deadline" or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition.

14. The Debtor is authorized to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account as the Debtor may deem necessary and appropriate; *provided* that the Debtor shall, as soon as practicable, provide notice to the relevant Bank and the Office of the U.S. Trustee of any opening or closing of any Bank Accounts or other bank accounts.

15. The Banks are authorized to honor the Debtor's requests to open or close, as the case may be, such bank accounts or additional bank accounts; *provided however*, that, unless otherwise ordered by this Court, any new bank account shall be with (a) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (b) a bank designated as an Authorized Depository under the U.S. Trustee Guidelines, or (c) any other bank, as the Debtor may determine upon consultation with the U.S. Trustee.

16. Nothing contained herein shall prevent Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

17. The Debtor is authorized to continue to use its correspondence and business forms, including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, and checks (collectively, the "**Business Forms**") substantially in the forms existing immediately before the Petition Date, without reference to its status as debtor in possession; *provided however*, that as soon as reasonably practicable, the Debtor will update its electronically produced checks to reflect its status as debtor in possession.

18. Prior to entry of the Final Order, to the extent any of the Debtor's Bank Accounts do not comply with section 345 of the Bankruptcy Code or any other requirements of the U.S. Trustee as of the Petition Date, the Debtor is granted 45 days, without prejudice to seek an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines or to make such other arrangements as agreed to by the U.S. Trustee.

19. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay any and all checks, drafts, book transfers, wires, check transfer

requests or ACH Transfers evidencing amounts paid by the Debtor under this Order whether presented prior to, on or after the Petition Date to the extent the Debtor has good funds standing to its credit with banks or other financial institutions. Such banks and financial institutions are authorized to rely on the representations of the Debtor as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtor's instructions.

20. Subject to entry of a final order, the Debtor is authorized but not directed to continue to operate under that certain Merchant Services Bankcard Agreement between Debtor Philippine Airlines, Inc. and First Data Merchant Services LLC (the "**Merchant Services Agreement**") in the ordinary course and in a manner consistent with past practices. The Debtor is authorized to pay or reimburse the credit card processors for obligations provided under the Merchant Service Agreement (including fees, charges, refunds, chargebacks, reserves and other amounts due and owing from the Debtor to credit card processors) ("**Merchant Services Obligations**"), whether such obligations are incurred prepetition or postpetition, and the credit card processors are authorized to receive or obtain payment for such Merchant Services Obligations, as provided under, and in the manner set forth in, the Merchant Services Agreement, including by way of recoupment or setoff without further order of the Court.

21. All applicable banks and other financial institutions are hereby restricted to collect, retain, or in any other form restrain the Debtor of using any and all amounts currently available or to be available postpetition, in the Debtor's Bank Accounts, unless specific security/guarantees have been placed before the Petition Date, in which case, said guarantees shall follow the specific ruling of this Court regarding secured creditors, if any.

22. Nothing in this Order or any action taken by the Debtor in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtor's rights with respect to such matters are expressly reserved.

23. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

24. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Cash Management System.

25. Nothing in this Order nor the Debtor's payment of claims pursuant to this Order shall be construed as (a) an agreement or admission by the Debtor as to the validity or priority of any claim on any grounds, (b) a waiver or impairment of any of the Debtor's rights to dispute any claims on any grounds, (c) a promise by the Debtor to pay any claim, or (d) an implication or admission by the Debtor that such claim is payable pursuant to this Order.

26. The requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion.

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

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

29. A final hearing to consider the relief requested in the Motion shall be held on _____, _____ at _____ (Prevailing Eastern Time) and any objections or responses to the Motion shall be filed and served on the Notice Parties so as to be actually received on or prior to _____, _____ at 4:00 p.m. (Prevailing Eastern Time). Any objections or responses to the entry of the Final Order shall be (a) filed with the Court and (b) served upon and actually received by (i) the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Susan A. Arbeit), (ii) proposed counsel to the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022 (Attn: Jasmine Ball, Nick Kaluk, III, and Elie Worenklein), (iii) counsel to the DIP Lender, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Andrew Zatz) and (iv) counsel to any official committee then appointed in this Chapter 11 Case, so as to be received by 4:00 p.m. (Prevailing Eastern Time) seven days before the hearing to approve the relief requested in the Motion on a final basis (the “**Objection Deadline**”). A reply to an objection may be filed with the Court and served on or before 12:00 p.m. (Prevailing Eastern Time) on the day that is at least two business days before the date of the applicable hearing. If no objections or responses are filed and served, this Court may enter the Final Order without further notice or hearing.

30. If no objections are timely filed and served as set forth herein, the Debtor shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of this Order, which order shall be submitted and may be entered with no further notice or opportunity to be heard afforded any party, and the Motion shall be approved *nunc pro tunc* to the date of the commencement of this Chapter 11 Case.

31. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective immediately and enforceable upon its entry.

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

Dated: _____, 2021
New York, New York

THE HONORABLE [●]
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Proposed Final Order

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-____ (____)

**FINAL ORDER AUTHORIZING (A) DEBTOR TO MAINTAIN AND USE EXISTING
CASH MANAGEMENT SYSTEM, BANK ACCOUNTS, AND BUSINESS FORMS; (B)
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND
TRANSFERS; AND (C) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)² of the Debtor for entry of an order (this “**Order**”) authorizing (a) the Debtor to continue to use its existing Cash Management System and maintain existing Bank Accounts and Business Forms and (b) financial institutions to honor and process related checks and transfers pursuant to sections 105(a), 345, 363(c)(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 6003, all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties and no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

basis (the “**Hearing**”); and upon the First Day Declaration and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, its estate, creditors and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis as set forth herein.
2. The Debtor is authorized and empowered, but not directed, pursuant to sections 105(a) and 363(c)(1) of the Bankruptcy Code, to continue to maintain, operate, and make transfers under its Cash Management System as described in the Motion (including the payment of Bank Charges and Merchant Services Obligations).
3. In accordance with its prepetition practices, the Debtor shall maintain records of all transfers within the Cash Management System to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all transactions may be readily ascertained, traced, and recorded properly.
4. Additionally, the Debtor is authorized and empowered, but not directed, to continue performing, at its discretion, all Intercompany Transactions in its ordinary course of business; *provided however*, absent Court order the Debtor shall not make any cash payments relating to prepetition Intercompany Transactions.
5. Pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, administrative expense status shall be granted for all postpetition Intercompany Claims arising from

Intercompany Transactions provided by non-debtor affiliates to the Debtor. In accordance with its prepetition practices, the Debtor shall maintain records of all Intercompany Transactions to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all such transactions may be readily ascertained, traced, and recorded properly.

6. Pursuant to section 364(a) of the Bankruptcy Code, the Debtor is authorized, in connection with the ordinary course operation of its Cash Management System, to obtain unsecured credit and incur unsecured debt in the ordinary course of business without any further notice or hearing.

7. The Debtor is authorized to continue to maintain the Bank Accounts with the same account numbers following the commencement of this case.

8. The Debtor is authorized to continue to use its Cash Management System to fund non-debtor affiliates as it did prior to the Petition Date.

9. The Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the Debtor as a debtor in possession without interruption and in the usual and ordinary course and to receive, process and honor and pay any and all postpetition checks, drafts, book transfers, wires, or automated clearing house transfers (“**ACH Transfers**”) drawn on the Bank Accounts by the holders or makers thereof, as the case may be to the extent the Debtor has good funds standing to its credit with such Bank.

10. Notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtor as to which checks, drafts, book transfers, wires, or ACH Transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, book transfers, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and

whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court.

11. The Banks shall not be liable to any party on account of (a) following the Debtor's instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) an innocent mistake made despite implementation of reasonable item handling procedures.

12. In accordance with current practice and the agreement governing the Bank Accounts, the Banks are authorized to "charge back" to the Debtor's accounts any amounts incurred by the Banks resulting from returned checks or other returned items, and the Debtor is authorized to pay any fees and expenses owed to the Banks, in each case regardless of whether such items were deposited prepetition or postpetition or relate to prepetition or postpetition items.

13. Any payment from a Bank Account at the request of the Debtor made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of the Debtor pursuant to a "midnight deadline" or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition.

14. The Debtor is authorized to implement changes to the Cash Management System in the ordinary course of business, including opening any additional bank accounts, or closing any existing Bank Account as the Debtor may deem necessary and appropriate; *provided* that the Debtor shall, as soon as practicable, provide notice to the relevant Bank and the Office of the U.S. Trustee of any opening or closing of any Bank Accounts or other bank accounts.

15. The Banks are authorized to honor the Debtor's requests to open or close, as the case may be, such bank accounts or additional bank accounts; *provided however*, that, unless otherwise ordered by this Court, any new bank account shall be with (a) a bank insured by the FDIC and that is organized under the laws of the United States or any State therein, (b) a bank designated as an Authorized Depository under the U.S. Trustee Guidelines, or (c) any other bank, as the Debtor may determine upon consultation with the U.S. Trustee.

16. Nothing contained herein shall prevent Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

17. The Debtor is authorized to continue to use its correspondence and business forms, including, but not limited to, purchase orders, letterhead, envelopes, promotional materials, and checks (collectively, the "**Business Forms**") substantially in the forms existing immediately before the Petition Date, without reference to its status as debtor in possession; *provided however*, that as soon as reasonably practicable, the Debtor will update its electronically produced checks to reflect its status as debtor in possession.

18. The Debtor's compliance with its Cash Management System shall be deemed to constitute compliance with section 345 of the Bankruptcy Code, and the Debtor is relieved from the obligations under section 345(b) to obtain a bond from any entity with which money is deposited in accordance with its Cash Management System.

19. The Debtor is authorized but not directed to continue to operate under that certain Merchant Services Bankcard Agreement between Debtor Philippine Airlines, Inc., and First Data Merchant Services LLC (the "**Merchant Services Agreement**") in the ordinary course and in a manner consistent with past practices. The Debtor is authorized to pay or reimburse the credit

card processors for obligations provided under the Merchant Service Agreement (including fees, charges, refunds, chargebacks, reserves and other amounts due and owing from the Debtor to credit card processors) (“**Merchant Services Obligations**”), whether such obligations are incurred prepetition or postpetition, and the credit card processors are authorized to receive or obtain payment for such Merchant Services Obligations, as provided under, and in the manner set forth in, the Merchant Services Agreement, including by way of recoupment or setoff without further order of the Court.

20. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay any and all checks, drafts, book transfers, wires, check transfer requests or ACH Transfers evidencing amounts paid by the Debtor under this Order whether presented prior to, on or after the Petition Date to the extent the Debtor has good funds standing to its credit with banks or other financial institutions. Such banks and financial institutions are authorized to rely on the representations of the Debtor as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtor’s instructions.

21. All applicable banks and other financial institutions are hereby restricted to collect, retain or in any other form restrain the Debtor of using any and all amounts currently available or to be available postpetition, in the Debtor’s Bank Accounts, unless specific security/guarantees have been placed before the Petition Date, in which case, said guarantees shall follow the specific ruling of this Court regarding secured creditors, if any.

22. Nothing in this Order or any action taken by the Debtor in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory

contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtor's rights with respect to such matters are expressly reserved.

23. Notwithstanding the relief granted herein and any action takes hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

24. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Cash Management System.

25. Nothing in this Order nor the Debtor's payment of claims pursuant to this Order shall be construed as (a) an agreement or admission by the Debtor as to the validity or priority of any claim on any grounds, (b) a waiver or impairment of any of the Debtor's rights to dispute any claims on any grounds, (c) a promise by the Debtor to pay any claim, or (d) an implication or admission by the Debtor that such claim is payable pursuant to this Order.

26. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective immediately and enforceable upon its entry.

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

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

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

Dated: _____, 2021
New York, New York

THE HONORABLE [●]
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

List of Bank Accounts

BANK ACCOUNTS

Country	Institution	Last 4 Digits of Account Number	Currency	Account Type
Australia	WESTPAC	0177	AUD	Current
Australia	JPM	9696	AUD	Current
Canada	BOC Guangzhou	0292	CNY	Current
Canada	HSBC	7001	CAD	Current
Canada	RBC	4936	CAD	Current
Canada	RBC	2259	USD	Current
China	BOC	0953	CNY	Current
China	BOC	0950	CNY	
China	BOC	4511	CNY	General
China	Shanghai Pudong Dev. Bank	6018	CNY	Savings
China	BOC	2984	CNY	
China	BOC	0891	CNY	Current
China	BOC	2168	CNY	Virtual
China	BOC	8955	CNY	Current
England	JPM	5614	GBP	Current
England	JPM	6417	GBP	Current
France	JPM AG	1890	EUR	Current
Hong Kong	HSBC	9002	HKD	Current
Hong Kong	BOC Guangzhou	6051	CNY	-
Hong Kong	HSBC	9001	HKD	Current
Hong Kong	BOC Guangzhou	3039	CNY	Current
Japan	JPM	9748	JPY	Current
Japan	MUFG	2410	JPY	Savings
Japan	MUFG	5314	JPY	Current
Macau	HSBC	1001	MOP	Current
Macau	HSBC	1101	HKD	Current

Country	Institution	Last 4 Digits of Account Number	Currency	Account Type
Macau	HSBC	1002	MOP	Current
Malaysia	HSBC	105 836142 101	MYR	Current
New Zealand	JPM NZ	3312	NZD	-
Papua New Guinea	ANZ	2760	PGK	Current
PHIL	PNB	1074	PHP	Current
PHIL	PNB	9721	EUR	-
PHIL	PNB	0762	CNY	-
PHIL	PNB	6237	AUD	-
PHIL	PNB	6151	CAD	-
PHIL	PNB	8285	JPY	-
PHIL	PNB	6158	USD	-
PHIL	PNB	6097	GBP	-
PHIL	PNB	6297	PHP	Savings
PHIL	PNB	6275	HKD	-
PHIL	PNB	6256	SGD	-
PHIL	PNB	7111	PHP	-
PHIL	PNB	1091	PHP	Current
PHIL	PNB	4642	USD	Savings
PHIL	PNB	4777	USD	Savings
PHIL	PNB	4043	PHP	Savings
PHIL	BDO	0693	PHP	Savings
PHIL	PNB	2812	PHP	Current
PHIL	PNB	6112	USD	Savings
PHIL	PNB	6700	PHP	Current
PHIL	PNB	6717	USD	Current
PHIL	UBP	458 0	USD	Savings
PHIL	PNB Savings Bank	1287	PHP	Current
PHIL	UBP	290 0	PHP	Current
PHIL	BDO	2482	PHP	Current
PHIL	LBP	8757	PHP	Current

Country	Institution	Last 4 Digits of Account Number	Currency	Account Type
PHIL	HSBC	1040	PHP	Current
PHIL	AUB	0040	PHP	Current
PHIL	AUB	0025	USD	Savings
PHIL	PNB	0687	PHP	-
PHIL	PNB	9662	PHP	Current
PHIL	BDO	0062	USD	Savings
PHIL	HSBC	2130	USD	Savings
PHIL	PNB	1030	PHP	Current
PHIL	PNB	1018	PHP	
PHIL	BOC	8902	USD	Savings
PHIL	ICBC	1572	USD	Current
PHIL	PNB	0671	USD	Current
PHIL	PNB	3431	PHP	Current
PHIL	PNB	5531	USD	Savings
PHIL	PNB	3396	PHP	Current
PHIL	PNB	9690	PHP	Savings
PHIL	PNB	8099	PHP	Egov
Singapore	JPM	6917	SGD	Current
Singapore	JPM	0301	USD	DDA
Singapore	JPM	6920	SGD	
Taiwan	MICB	5793	NTD	Current
Taiwan	MICB	8388	NTD	Current
Taiwan	MICB	5847	TWD	
Thailand	HSBC	7980	THB	Savings
Thailand	HSBC	7001	THB	Current
UAE	HSBC ME Ltd	1002	AED	Current
US	Bank of Hawaii	7053	USD	
US	PNB	0513	USD	
US	Tri Counties	5401	USD	
US	Tri Counties	1308	USD	

Country	Institution	Last 4 Digits of Account Number	Currency	Account Type
US	Tri Counties	5135	USD	
US	Tri Counties	1340	USD	Current
US	JPM	5873	USD	Current
US	Bank of Hawaii	4534	USD	Current
Vietnam	HSBC	8001	VND	Current
Vietnam	HSBC	8108	EUR	-
Vietnam	HSBC	8002	VND	

EXHIBIT D

Cash Schematics Overview

