

Hearing Date and Time: November 12, 2021 at 10:00 AM (ET)
Objection Deadline: November 5, 2021 at 4:00 PM (ET)

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in Possession*

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF HEARING ON DEBTOR’S MOTION FOR ENTRY
OF AN ORDER (A) APPROVING THE DISCLOSURE STATEMENT; (B) APPROVING
SOLICITATION AND VOTING PROCEDURES; (C) APPROVING FORMS OF
BALLOTS; (D) SCHEDULING A CONFIRMATION HEARING; AND (E)
ESTABLISHING NOTICE AND OBJECTION PROCEDURES**

PLEASE TAKE NOTICE that a hearing (the “**Hearing**”) will be held before the Honorable Shelley C. Chapman of the United States Bankruptcy Court for the Southern District of New York on November 12, 2021 at 10:00 a.m. (prevailing Eastern Time), or as soon thereafter as counsel may be heard, to consider the annexed motion (the “**Motion**”) for entry of an Order (A) approving the disclosure statement; (B) approving solicitation and voting procedures; (C) approving forms of ballots; (D) scheduling a confirmation hearing, and (E) establishing notice and objection procedures.

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.



PLEASE TAKE FURTHER NOTICE that, in accordance with General Order M-543 dated March 20, 2020, the Hearing will be conducted telephonically. Any parties wishing to participate must do so telephonically through CourtSolutions (www.court-solutions.com). Instructions to register for CourtSolutions LLC are attached to General Order M-543. Responses or objections, if any, to the Motion must be made in writing, state with particularity the grounds therefor, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, be filed electronically in text searchable portable document format (PDF) with the Bankruptcy Court in accordance with General Order M-399 (General Order M-399 can be found at www.nysb.uscourts.gov, the official website for the Bankruptcy Court), by registered users of the Bankruptcy Court's case filing system and by all other parties in interest (with a hard-copy delivered directly to the Judge's Chambers), and be served on: (i) the Chambers of the Honorable Shelley C. Chapman, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004; (ii) the Debtor, PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines; (iii) Jasmine Ball, Debevoise & Plimpton, LLP, 919 Third Avenue, New York, NY 10022, proposed counsel for the Debtor; (iv) William K. Harrington, U.S. Department of Justice, Office of the U.S. Trustee, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Susan A. Arbeit); (v) the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549; and (vi) the Federal Aviation Administration, 800 Independence Ave., S.W. Washington, DC 20591 (Attn: Office of the Chief Counsel), so as to be received no later than **4:00 p.m. (prevailing Eastern Time) on November 5, 2021** (the "**Objection Deadline**").

PLEASE TAKE FURTHER NOTICE that if no responses or objections are received by the Objection Deadline, the relief may be granted as requested in the Motion without further notice or a hearing.

PLEASE TAKE FURTHER NOTICE that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

PLEASE TAKE FURTHER NOTICE that the Hearing may be continued or adjourned from time to time without further notice other than an announcement of the adjourned date or dates at the Hearing or at a later hearing.

PLEASE TAKE FURTHER NOTICE that copies of the Motion and other pleadings for subsequent hearings may be obtained free of charge by visiting the KCC website at www.kccllc.net/PAL. You may also obtain copies of any pleadings by visiting at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: October 13, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

By: /s/ Jasmine Ball

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**DEBTOR'S MOTION FOR ENTRY OF AN ORDER (A) APPROVING THE
DISCLOSURE STATEMENT; (B) APPROVING SOLICITATION AND VOTING
PROCEDURES; (C) APPROVING FORMS OF BALLOTS; (D) SCHEDULING A
CONFIRMATION HEARING; AND (E) ESTABLISHING NOTICE AND OBJECTION
PROCEDURES**

This Motion refers to a plan of reorganization (the "Plan") and a disclosure statement (the "Disclosure Statement") that have been proposed by the Debtor in this Chapter 11 Case. The proposed Plan and Disclosure Statement, which are being filed contemporaneously with this Motion, may be obtained free of charge by visiting the website of the Debtor's information agent at <http://www.kccllc.net/PAL> or by contacting KCC at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international).

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.

Philippine Airlines, Inc. (“**PAL**”), the above captioned debtor and debtor in possession (the “**Debtor**”) seeks entry of an order attached hereto as **Exhibit A** (the “**Proposed Order**”) granting the relief as requested below. The Debtor respectfully states as follows in support of this motion (the “**Motion**”):

Relief Requested

1. By this Motion, the Debtor seeks the Court’s approval of various substantive and procedural matters central to the Plan² confirmation process—and, thus, essential to culminating the Debtor’s reorganization efforts that started over a year prior to the Petition Date. As a threshold matter, the Debtor seeks approval of the Disclosure Statement as providing “adequate information” within the meaning of section 1125(a) of the Bankruptcy Code. In addition, the Debtor seeks approval of a streamlined and transparent Plan confirmation process that will enable the Debtor to emerge from Chapter 11 as a leaner and better-capitalized airline post-pandemic in an expeditious manner.

2. In particular, the Motion seeks entry of the Proposed Order approving the following:

- (a) Notice. Adequacy of notice for the hearing regarding the adequacy of the Disclosure Statement (the “**Disclosure Statement Hearing**”);
- (b) Adequacy of Information in the Disclosure Statement. The Disclosure Statement, as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code;
- (c) Solicitation and Voting Procedures. The procedures substantially in the form attached to the Disclosure Statement Order as **Exhibit 1** for: (i) soliciting, receiving, and tabulating votes to accept or reject the Plan; (ii) voting to accept or

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or modified from time to time, the “**Plan**”) or the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as may be amended, supplemented, or modified from time to time, the “**Disclosure Statement**”), as applicable, which are contemporaneously being filed with the Court.

reject the Plan; and (iii) filing objections to the Plan (the “**Solicitation and Voting Procedures**”);

- (d) Ballots. The forms of the ballot for the Voting Class (the “**Ballot**”) attached to the Disclosure Statement Order as **Exhibit 2** (form of Ballot for holders of claims in Class 3);
- (e) Non-Voting Status Notices. The forms of the following notices: (i) notice to holders of Claims and Interests that are Unimpaired under the Plan and who are, pursuant to section 1126(f) of the Bankruptcy Code, conclusively presumed to accept the Plan and (ii) notice to holders of Claims and Interests that are Impaired under the Plan and who receive no distribution nor retain any property thereunder and who are, pursuant to section 1126(g) of the Bankruptcy Code, conclusively deemed to reject the Plan (each, a “**Non-Voting Status Notice**”) substantially in the forms attached to the Disclosure Statement Order as **Exhibit 3** and **Exhibit 4**, respectively;
- (f) Solicitation Package. The forms of solicitation package (the “**Solicitation Package**”), and finding that the solicitation materials and documents included therein that will be sent to holders of Claims entitled to vote to accept or reject the Plan, comply with Bankruptcy Rules 3017(d) and 2002(b);
- (g) Cover Letter. The form of letter (the “**Cover Letter**”) that the Debtor will send to holders of Claims in the Voting Class, urging them to vote in favor of the Plan, substantially in the form attached to the Disclosure Statement Order as **Exhibit 5**;
- (h) Confirmation Hearing Notice. The form and manner of notice of the hearing to consider Confirmation of the Plan (the “**Confirmation Hearing**”) and the notice thereof (the “**Confirmation Hearing Notice**”), substantially in the form attached to the Disclosure Statement Order as **Exhibit 6**;
- (i) Assumption Notice. The form of notice to be sent to counterparties to Executory Contracts and Unexpired Leases that will be assumed pursuant to the Plan (the “**Assumption Notice**”), substantially in the form attached to the Disclosure Statement Order as **Exhibit 7**; and
- (j) Confirmation Timeline. Establishing the following dates and deadlines, subject to modification if necessary:

Event	Date and Time (prevailing Eastern Time)
Disclosure Statement Objection Deadline	November 5, 2021 at 4:00 p.m.
Voting Record Date	November 12, 2021
Disclosure Statement Hearing	November 12, 2021 at 10:00 a.m.
Deadline for Commencement of Solicitation	November 15, 2021, or 1 business day after entry of the Disclosure Statement Order, whichever is later

Publication Deadline	December 3, 2021
Plan Supplement Filing Deadline	December 3, 2021
Voting Deadline	December 10, 2021 at 4:00 p.m.
Plan Objection Deadline	December 10, 2021 at 4:00 p.m.
Deadline to File Voting Report	December 10, 2021
Deadline to File Confirmation Brief and Plan Reply	December 15, 2021 at 12:00 p.m.
Confirmation Hearing	December 17, 2021 at 10:00 a.m., or as soon thereafter as the Debtor may be heard

Jurisdiction and Venue

3. 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.

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

5. The bases for the relief requested herein are sections 105(a), 1125, 1126, and 1128 of title 11 of the United States Code (the “**Bankruptcy Code**”), Bankruptcy Rules 2002, 3016, 3017, 3018, and 3020, and Rules 2002-1, 3017-1, 3018-1, and 3020-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”).

Background

6. 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 continuing to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this case.

7. 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.

8. 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.

9. 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.

10. 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 Plan by entering into RSAs, thereby providing additional certainty and predictability to the Debtor’s restructuring and Chapter 11 Case.

11. Simultaneous with the filing of this Motion, the Debtor filed the Plan and Disclosure Statement, which implement the comprehensive consensual restructuring contemplated by the RSAs.

12. 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.

Plan Summary

13. The Plan contemplates classifying Claims and Interest into the following Classes for all purposes, including with respect to voting on and distributions under the Plan pursuant to section 1126 of the Bankruptcy Code:

Class	Description	Status	Treatment
1.	Priority Non-Tax Claims	Unimpaired	Except to the extent that a holder of an Allowed Priority Non-Tax Claim against the Debtor agrees to a less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Non-Tax Claim, at the option of the Debtor or the Reorganized Debtor, as applicable, (i) each such holder shall receive payment in Cash in an amount equal to the Allowed amount of such Claim, payable on the later of the Effective Date and the date that is 10 Business Days after the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is reasonably practicable, (ii) such holder’s Allowed Priority Non-Tax Claim shall be Reinstated, or (iii) such holder shall receive such other treatment consistent with section 1129(a)(9) of the Bankruptcy Code so as to render such holder’s Allowed Priority Non-Tax Claim Unimpaired.
2.	Other Secured Claims	Unimpaired	Except to the extent that a holder of an Allowed Other Secured Claim against the Debtor agrees to a less favorable treatment of such Claim, in full and final satisfaction, settlement, release, and discharge of, and in

Class	Description	Status	Treatment
			exchange for, such Allowed Other Secured Claim, at the option of the Debtor or the Reorganized Debtor, as applicable, (i) each such holder shall receive payment in Cash in an amount equal to the Allowed Amount of such Claim, payable on the later of the Effective Date and the date that is 10 Business Days after the date such Other Secured Claim becomes an Allowed Claim, or as soon thereafter as is reasonably practicable, (ii) Reinstatement of such holder's Allowed Other Secured Claim, or (iii) such other treatment sufficient to render such holder's Allowed Other Secured Claim Unimpaired. In the event that an Other Secured Claim against the Debtor is treated under clause (i) of Section 4.2(b) of the Plan, the Liens securing such Other Secured Claim shall be deemed released immediately upon payment.
3.	General Unsecured Claims	Impaired	Except to the extent that a holder of an Allowed General Unsecured Claim agrees to a less favorable treatment of such Claim or has been paid before the Effective Date, on and after the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim, such holder will receive its Pro Rata share of the Unsecured New Equity Allocation. In connection with the Debtor's exercise of the Tranche A Conversion Option and the Tranche B Conversion Option pursuant to Section 5.3 of the Plan, the DIP Lenders have agreed to waive and, thereby, receive no recovery on account of their General Unsecured Claims against the Debtor.
4.	General Unsecured Trade Claims	Unimpaired	Except to the extent that a holder of a General Unsecured Trade Claim agrees to a less favorable treatment of such Claim or has been paid before the Effective Date, on and after the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim, (i) the Reorganized Debtor shall continue to pay or treat each General Unsecured Trade Claim in the ordinary course of business as if the Chapter 11 Case had never been commenced, or (ii) such holder will receive such other treatment so as to render such holder's Allowed General Unsecured Trade Claim Unimpaired pursuant to section 1124 of the Bankruptcy Code, in each case subject to all defenses or disputes the Debtor and the Reorganized Debtor may have with respect to such Claims, including as provided in Section 6.17 of the Plan; provided that, notwithstanding the foregoing, the Allowed amount of General Unsecured Trade Claims shall be subject to and shall not exceed the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 or 503 of the Bankruptcy Code, to the extent applicable.
5.	Employee Claims	Unimpaired	Except to the extent that a holder of an Employee Claim agrees to a less favorable treatment of such Claim or has been paid before the Effective Date, all Employee Claims shall be paid, adjusted, disputed, or settled, in the ordinary course of business after the Effective Date.
6.	Customer Claims	Unimpaired	Except to the extent that a holder of a Customer Claim agrees to a less favorable treatment of such Claim or has been paid before the Effective Date, all Customer Claims shall be paid, adjusted, disputed, or settled, in the ordinary course of business after the Effective Date in accordance with any settlements or orders issued by the applicable courts or

Class	Description	Status	Treatment
			regulatory authorities.
7.	Intercompany Claims	Unimpaired	On the Effective Date, or as soon as practicable thereafter, all Intercompany Claims shall be paid, adjusted, continued, settled, Reinstated, discharged, contributed to capital, or eliminated, in each case to the extent determined by the Debtor or the Reorganized Debtor, as applicable, subject to the Restructuring Transactions.
8.	Existing Equity Interests	Impaired	Holders of Existing Equity Interests shall not receive any property under the Plan on account of such Existing Equity Interests. On the Effective Date, or as soon as practicable thereafter in accordance with applicable non-bankruptcy law, Holders of Existing Equity Interests shall have their Existing Equity Interests diluted to 0.001% of the number and value of such Interests as of the Petition Date.

14. The Plan and the related RSAs provide the Debtor and its estate with significant economic benefits, including (a) the reduction of the Debtor’s financial obligations by approximately \$2.1 billion, (b) the reoptimization of the Debtor’s current fleet size and composition as required by the changed market conditions, including an immediate reduction of approximately 35% of seat capacity versus pre-crisis levels, (c) the preservation and/or enhancement of the Debtor’s key commercial contracts and business relationships to strengthen the Company’s viability during the pending COVID-19 pandemic and beyond, (d) a \$505 million infusion of working capital from the Debtor’s majority shareholder to fund the Debtor’s operations during the Chapter 11 Case and upon emergence, and (e) commitments for a \$150 million exit facility from new investors to provide additional liquidity.

15. The Plan is also premised on a comprehensive settlement between the Debtor, the DIP Lenders and the Supporting Creditors, pursuant to which the recoveries provided to holders of General Unsecured Claims, as well as the payment of all Employee Claims and Customer Claims in full, are being carved out of the value that would otherwise be used to satisfy the DIP Claims and would not otherwise be available to holders of such unsecured Claims without the

consent of the DIP Lenders, which consent was obtained in connection with good-faith, arms'-length negotiations regarding the RSAs.

16. In addition, the Plan also includes certain releases by the Debtor (the “**Debtor Release**”) and by certain third parties (the “**Third-Party Release**”), as well as exculpation provisions, all of which release the Debtor, the Reorganized Debtor and certain other parties who played an integral role in the Debtor’s reorganization, from liability on certain claims and causes of action (as and to the extent set forth in the Plan). Consistent with the procedures described herein, creditors will be given an opportunity to opt out of the Third-Party Release on a Ballot or manifest their consent thereto by not opting out. As described below, and as will be further developed on the record at the Confirmation Hearing, the Third-Party Release, just as the Debtor Release and the Exculpation, was an integral part of the Debtor’s overall restructuring efforts and is an essential element of the Plan and the global settlement underlying the Debtor’s restructuring.

17. The Debtor proposes to solicit votes to accept or reject the Plan from holders of Claims in Class 3 (General Unsecured Claims) (the “**Voting Class**”). The Debtor will not solicit votes to accept or reject the Plan from holders of Claims and Interests in Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 4 (General Unsecured Trade Claims), Class 5 (Employee Claims), Class 6 (Customer Claims), Class 7 (Intercompany Claims), or Class 8 (Existing Equity Interests) (the “**Non-Voting Classes**”).

Basis for Relief

A. The Debtor Has Provided Adequate Notice of the Disclosure Statement Hearing.

18. Bankruptcy Rule 3017(a) requires parties to receive not less than 28 days’ notice of the Disclosure Statement Hearing. Fed. R. Bankr. P. 3017(a). Contemporaneously herewith, the Debtor is filing with the Court, and serving on all known creditors and Interest holders,

notice of the Disclosure Statement Hearing (the “**Disclosure Statement Hearing Notice**”), which identifies (a) the date, time, and place of the Disclosure Statement Hearing, (b) how to obtain a copy of this Motion and other pleadings, including the proposed Plan and Disclosure Statement, and (c) the deadline and procedures for filing objections to the approval of the Disclosure Statement.

19. Thus, all parties in interest will have had at least 28 days’ notice of the Disclosure Statement Hearing in compliance with Bankruptcy Rules 2002(b) and 3017(a) and Local Rule 3017-1. While the Debtor is seeking to set the deadline to file objections to the Disclosure Statement of less than 28 days, Bankruptcy Rule 9006(c) and Local Rule 9006-1(b) provide that the Court, for cause shown, may in its discretion (with or without motion or notice) reduce any the notice period otherwise required by the Bankruptcy Rules. The Debtor respectfully submits that shortening the notice period for the objection deadline, but not the notice period of the Disclosure Statement Hearing, is appropriate under the facts and circumstances of the Chapter 11 Case.³

20. As this Court knows, the Debtor commenced this Chapter 11 Case in order to implement a fully consensual restructuring. Among other things, the Debtor negotiated RSAs with over 92% of the creditors in the Voting Class. Consequently, the creditors in the Voting Class, who are Debtor’s largest creditors, had notice of the Plan prior to the filing and have been negotiating their Plan treatment for nearly a year. Further, these creditors have been able to regularly review the principal terms of the Debtor’s restructuring plan, including the proposed treatment of various claims and interests under the Plan, as set forth in the Plan Term Sheet

³ Moreover, to the extent any party in interest believes that 23 days for the Disclosure Statement objection deadline is insufficient under the circumstances, the Debtor is willing to accommodate, after consultation with the Court, any reasonable extension of the objection deadline upon written request by such party (which may be by email to Debtor’s counsel).

attached to each RSA and in the *Notice of Filing of Amended Plan Term Sheet* [Docket No. 84]. Accordingly, the creditors in the sole Voting Class will not be prejudiced by the slight advancement of the objection deadline.

21. Lastly, the Debtor, the DIP Lenders and the Supporting Creditors all believe that it is critical for the Debtor to emerge from this Chapter 11 Case prior to the end of 2021. In the airline industry generally, and in PAL's case in particular, it is imperative to emerge expeditiously in order to demonstrate to PAL's foreign employees and customers, who are not familiar with the U.S. bankruptcy system, that PAL was able to consummate the consensual restructuring and that there is no uncertainty regarding its long term viability and ability to honor all customer obligations.

22. Accordingly, the Debtor submits that the foregoing procedures provide adequate notice of the Disclosure Statement Hearing for all purposes requests that the Court find that such notice as being appropriate and in compliance with the requirements of the Bankruptcy Rules and Local Rules.

B. The Disclosure Statement Contains Adequate Information and Should be Approved.

(a) The Adequate Information Standard Under Section 1125 of the Bankruptcy Code.

23. Section 1125(b) of the Bankruptcy Code requires the plan proponent to provide holders of impaired claims and interests entitled to vote with "adequate information" regarding the proposed plan. Section 1125(a)(1) of the Bankruptcy Code provides that:

"[A]dequate information" means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records . . . that would enable . . . a hypothetical investor of the relevant class to make an informed judgment about the plan.

24. 11 U.S.C. § 1125(a)(1). Thus, a plan proponent's disclosure statement must provide information that is "reasonably practicable" to permit creditors to make an "informed

judgment” with respect to their vote to accept or reject the plan to which the disclosure statement pertains. *See In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994); *see also In re Ionosphere Clubs, Inc.*, 179 B.R. 24, 29 (S.D.N.Y. 1995) (adequacy of a disclosure statement “is to be determined on a case-specific basis under a flexible standard that can promote the policy of chapter 11 towards fair settlement through a negotiation process between informed interested parties” (internal citation omitted)); *see also In re Avianca Holdings, S.A.*, 2021 WL 4197721 at *3 (Bankr. S.D.N.Y. Sept. 15, 2021) (“a disclosure statement is intended to be a source ‘of factual information upon which one can make an informed judgment about a reorganization plan,’ and not ‘an advertisement or a sales brochure.’”); *In re Adelpia Commc’ns Corp.*, 352 B.R. 592, 600 (Bankr. S.D.N.Y. 2006) (explaining that “an adequate disclosure determination requires a bankruptcy court to find not just that there is enough information there, but also that what is said is not misleading”); *In re Amfesco Indus., Inc.*, No. CV-88-2952 (JBW), 1988 WL 141524, at *5 (E.D.N.Y. Dec. 21, 1988) (stating that “[u]nder section 1125 of the Bankruptcy Code, a reasonable and typical creditor or equity security holder must be provided ‘adequate information’ to make an informed judgment regarding a proposed plan.”); *BSL Operating Corp. v. 125 E Taverns, Inc. (In re BSL Operating Corp.)*, 57 B.R. 945, 950 (Bankr. S.D.N.Y. 1986) (stating that “[s]ection 1125 might be described as a non-rigid ‘how-to-inform’ section A disclosure statement . . . is evaluated only in terms of whether it provides sufficient information to permit enlightened voting by holders of claims or interests.”).

25. “Adequate information” is a flexible standard, based on the facts and circumstances of each case. *See Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”); *see also First Am.*

Bank of N.Y. v. Century Glove, Inc., 81 B.R. 274, 279 (D. Del. 1988) (noting that adequacy of disclosure for a particular debtor will be determined based on how much information is available from outside sources); S. Rep. No. 95-989, at 121 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5787, 5907 (“the information required will necessarily be governed by the circumstances of the case”).

26. This Court and others acknowledge that determining what constitutes “adequate information” for the purpose of satisfying section 1125 of the Bankruptcy Code resides within the broad discretion of the court. *See, e.g., Kirk v. Texaco, Inc.*, 82 B.R. 678, 682 (S.D.N.Y. 1988) (“The legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a): ‘Precisely what constitutes adequate information in any particular instance will develop on a case-by-case basis. Courts will take a practical approach as to what is necessary under the circumstances of each case.’” (quoting H.R. Rep. No. 595, at 408–409 (1977)); *see also In re PC Liquidation Corp.*, 383 B.R. 856, 865 (E.D.N.Y. 2008) (internal citations omitted) (“The standard for disclosure is, thus, flexible and what constitutes ‘adequate disclosure’ in any particular situation is determined on a case-by-case basis . . . with the determination being largely within the discretion of the bankruptcy court.”); *In re Lisanti Foods, Inc.*, 329 B.R. 491, 507 (D.N.J. 2005) (“The information required will necessarily be governed by the circumstances of the case.”); *In re Phoenix Petrol. Co.*, 278 B.R. 385, 393 (Bankr. E.D. Pa. 2001) (“[t]he determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court.”); *In re River Village Assoc.*, 181 B.R. 795, 804 (E.D. Pa. 1995) (“[T]he Bankruptcy Court is thus given substantial discretion in considering the adequacy of a disclosure statement.”).

27. Courts generally examine whether disclosure statements contain information such as:

(1) the events which led to the filing of a bankruptcy petition; (2) a description of the available assets and their value; (3) the anticipated future of the company; (4) the source of information stated in the disclosure statement; (5) a disclaimer; (6) the present condition of the debtor while in Chapter 11; (7) the scheduled claims; (8) the estimated return to creditors under a Chapter 7 liquidation; (9) the accounting method utilized to produce financial information and the name of the accountants responsible for such information; (10) the future management of the debtor; (11) the Chapter 11 plan or a summary thereof; (12) the estimated administrative expenses, including attorneys' and accountants' fees; (13) the collectability of accounts receivable; (14) financial information, data, valuations or projections relevant to the creditors' decision to accept or reject the Chapter 11 plan; (15) information relevant to the risks posed to creditors under the plan; (16) the actual or projected realizable value from recovery of preferential or otherwise voidable transfers; (17) litigation likely to arise in a non-bankruptcy context; (18) tax attributes of the debtor; and (19) the relationship of the debtor with affiliates.

See In re Avianca Holdings, 2021 WL 4197721 at *4 (quoting *In re Metrocraft Publ'g Servs.*, 39 B.R. 567, 568 (Bankr. N.D. Ga. 1984); *see also In re Scioto Valley Mortg. Co.*, 88 B.R. 168, 170–71 (Bankr. S.D. Ohio 1988) (listing the factors courts have considered in determining the adequacy of information provided in a disclosure statement). Such lists are not meant to be exhaustive, nor must a disclosure statement include all of the foregoing information. *See In re U.S. Brass Corp.*, 194 B.R. at 424; *see also Phoenix Petroleum*, 278 B.R. at 393 (using a similar list, but cautioning that “no one list of categories will apply in every case”); *In re Dakota Rail, Inc.*, 104 B.R. 138, 142 (Bankr. D. Minn. 1989) (using a similar list of information described as “nonexclusive and nonexhaustive”). Thus, courts decide what information is appropriate in each case.

(b) The Disclosure Statement Contains Adequate Information.

28. The Debtor respectfully submits that the Disclosure Statement addresses each of the salient types of information identified above and will provide the Voting Class with adequate

information to allow each such holder to make an informed voting decision. Specifically, the Disclosure Statement contains the following categories of information:

- (a) a description of the Debtor's prepetition business, organizational structure, equity and capital structures (*see* Disclosure Statement, Article II);
- (b) the history of the Debtor's business, including the events leading to the commencement of this chapter 11 case (*see* Disclosure Statement, Article II and Article III);
- (c) material developments and anticipated events of the Chapter 11 Case (*see* Disclosure Statement, Article IV);
- (d) a summary of the Plan (*see* Disclosure Statement, Article V);
- (e) a summary of the classifications and treatment of all classes of Claims and Interests (*see* Disclosure Statement, Article V(B-C));
- (f) the means of implementation of the Plan (*see* Disclosure Statement, Article V(D));
- (g) certain tax consequences of the Plan (*see* Disclosure Statement, Article VII);
- (h) certain risk factors to consider (*see* Disclosure Statement, Article VIII);
- (i) a description of the procedures for soliciting votes to accept or reject the Plan and voting on the Plan including a copy of the order once entered (*see* Disclosure Statement, Article IX);
- (j) an overview of confirmation procedures and statutory requirements for confirmation and consummation of the Plan (*see* Disclosure Statement, Article X);
- (k) a valuation analysis (*see* Disclosure Statement, Exhibit E); and
- (l) a liquidation analysis (*see* Disclosure Statement, Exhibit C).

29. Bankruptcy Rule 3016(c) requires that, if a plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code, the plan and disclosure statement must describe, in specific and conspicuous language, the acts to be enjoined and the entities subject to the injunction. Fed. R. Bankr. P. 3016(c). Here, Article V(I) of the Disclosure Statement describes in detail the acts that are being enjoined pursuant to the Plan. Further, the

injunction language is in bold typeface in both the Plan and Disclosure Statement, making it appropriately conspicuous.

30. Accordingly, the Debtor submits that the Disclosure Statement complies with Bankruptcy Rule 3016(c) and contains adequate information within the meaning of section 1125 of the Bankruptcy Code and applicable case law, and therefore should be approved.

C. The Timeline for Soliciting Votes on the Plan Is Appropriate.

(a) The Court Should Approve the Voting Record Date, Solicitation Deadline, and Voting Deadline.

31. Bankruptcy Rule 3017(d) provides that, for purposes of soliciting votes to confirm a plan of reorganization, “creditors and equity security holders shall include holders of stock, bonds, debentures, notes and other securities of record on the date the order approving the disclosure statement is entered or another date fixed by the court, for cause, after notice and a hearing.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding determination of the record date for voting purposes. Fed. R. Bankr. P. 3018(a). Additionally, bankruptcy rule 3071(c) provides that before approving the disclosure statement, the Court must fix a time within which the holders of claims and interests may accept or reject a plan and may fix a date for the hearing on confirmation of a plan. *See* Fed. R. Bankr. P. 3017(c).

32. Accordingly, the Debtor requests that the Court exercise its authority under Bankruptcy Rules 3017(d) and 3018(a) to establish (i) the date of the Disclosure Statement Hearing as the voting record date (the “**Voting Record Date**”), (ii) November 15, 2021, or one business day after entry of the Disclosure Statement Order, whichever is later, as the solicitation mailing deadline by which the Debtor must distribute the Solicitation Package, including Ballots, to holders of Claims in the Voting Class (the “**Solicitation Deadline**”), and (iii) December 10, 2021 at 4:00 p.m., prevailing Eastern Time as the voting deadline (the “**Voting Deadline**”).

Moreover, the Debtor proposes that, with respect to any transferred Claim, the transferee be entitled to receive a Solicitation Package and, if the holder of such Claim is entitled to vote on the Plan, cast a Ballot on account of such Claim only if: (a) all actions necessary to effectuate the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Voting Record Date or (b) the transferee files by the Voting Record Date (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. In the event a Claim is transferred after the Voting Record Date, the transferee of such Claim shall be bound by any vote on the Plan cast by the holder of such Claim as of the Voting Record Date.

33. The Debtor requests that, after it distributes Solicitation Packages to holders of Claims entitled to vote on the Plan by the Solicitation Deadline, the Court require that all holders of Claims entitled to vote on the Plan complete, execute, and return their Ballots in accordance with the instructions contained in such Ballots so that they are actually received by Kurtzman Carson Consultants LLC, in its capacity as Solicitation Agent for the Debtor (the “**Solicitation Agent**”), on or before the Voting Deadline.

34. The foregoing timing and materials will afford holders of Claims entitled to vote on the Plan at least 28 days within which to receive, review, and analyze the materials in the Solicitation Package and make an informed decision as to whether to vote to accept or reject the Plan before the Voting Deadline consistent with the requirements of the applicable law and Bankruptcy Rules. *See* Fed. R. Bankr. P. 3017(d) (after approval of a disclosure statement, the debtor must transmit the plan, the approved disclosure statement, a notice of the time within which acceptances and rejections of such plan may be filed, and any other information that the court may direct to certain holders of claims). Accordingly, the Debtor requests that the Court

approve the form of, and the Debtor's proposed procedures for distributing, the Solicitation Packages to the holders of Claims in the Voting Class.

D. The Solicitation Materials Are Appropriate.

(a) The Court Should Approve the Form of Ballots.

35. In accordance with Bankruptcy Rule 3018(c), the Debtor has prepared and customized the Ballots. Although based on Official Form No. 314, the Ballots have been modified to address the particular circumstances of this chapter 11 case and include certain additional information that is relevant and appropriate for Claims in of the Voting Class.

36. The Debtor proposes to distribute Ballots, substantially in the forms attached hereto as Exhibit 2 (form of Ballot for Class 3) to the holders of Claims in the Voting Class that are otherwise eligible to vote. The Debtor respectfully submits that the forms of the Ballots comply with Bankruptcy Rule 3018(c) and, therefore, should be approved.

(b) The Court Should Approve the Solicitation Package.

37. Bankruptcy Rule 3017(d) prescribes the materials that must be provided to holders of claims and equity interests entitled to vote for the purpose of soliciting their votes and providing adequate notice of the hearing on confirmation of a plan of reorganization. Fed. R. Bankr. P. 3017(d).

38. In accordance with this requirement, the Debtor proposes to send the Solicitation Packages to holders of Claims in the Voting Class with the information they need to be able to make informed decisions with respect to how to vote on the Plan. In accordance with the applicable RSAs for aircraft lessors, the Debtor proposes to send Solicitation Packages to only one claimant for each lease transaction.

39. On or before the Solicitation Deadline, the Debtor will cause the Solicitation Agent to distribute the Solicitation Packages by first-class U.S. mail to the holders of Claims in

the Voting Class (or their appropriate agents or nominees, as applicable). Each Solicitation Package will include the following materials:

- (a) a copy of the Solicitation and Voting Procedures;
- (b) a Ballot, together with detailed voting instructions and a pre-addressed, postage pre-paid return envelope;
- (c) the Cover Letter;
- (d) the Disclosure Statement (and exhibits thereto, including the Plan);
- (e) the Disclosure Statement Order (without exhibits, except the Solicitation and Voting Procedures);
- (f) the Confirmation Hearing Notice; and
- (g) such other materials as the Court may direct;

40. The Debtor requests authorization to distribute the Solicitation Packages to Holders of Claims in the Voting Class by either electronic mail or regular mail. In the event that a Holder of a Claim in the Voting Class has not provided an electronic mail address or it is not practicable to serve a Solicitation Package by electronic mail, the Debtor requests that it be authorized to distribute the Plan, the Disclosure Statement, and the Disclosure Statement Order (without exhibits, except the Solicitation and Voting Procedures) to holders of Claims in the Voting Class in electronic format (flash drive or CD-ROM). The Ballots, the Cover Letter, and the Confirmation Hearing Notice will be provided in paper format. Distribution in this manner will translate into significant monetary savings for the Debtor's estate given the length of the Plan, Disclosure Statement, and Disclosure Statement Order.

41. Additionally, the Debtor will provide complete Solicitation Packages (excluding the Ballots) in electronic format to the U.S. Trustee and all parties on the Rule 2002 List as of the Voting Record Date. Any party that receives the Solicitation Package in electronic format but prefers paper format may contact the Solicitation Agent and request paper copies of the

corresponding materials previously received in electronic format (to be provided at the Debtor's expense).

42. The Debtor respectfully requests that the Solicitation Agent be authorized (to the extent not authorized by another order of the Court) to assist the Debtor in: (a) distributing the Solicitation Packages; (b) receiving, tabulating, and reporting on the Ballots cast to accept or reject the Plan; (c) responding to inquiries from holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

43. In addition to accepting hard copy Ballots via first class mail, overnight courier, and hand delivery at PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Hwy., Ste. 300, El Segundo, CA 90245 U.S.A., the Debtor requests authorization for the Solicitation Agent to accept Ballots via electronic, online transmissions, solely through a customized online balloting portal on the Debtor's case website to be maintained by the Solicitation Agent located at <http://www.kccllc.net/PAL> (the "**Online Portal**"). This will ensure that non-U.S. creditors are able to cast their votes timely and meet the Voting Deadline. Parties entitled to vote may cast an electronic Ballot and electronically sign and submit a Ballot instantly by utilizing the online balloting portal (which allows a holder to submit an electronic signature). Instructions for electronic, online transmission of Ballots are set forth on the forms of Ballots. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. For the avoidance of doubt, the Debtor requests that

Ballots submitted via the customized online balloting portal be deemed to contain an original signature. Except as otherwise provided, the Debtor requests that Ballots will be deemed delivered only when the Solicitation Agent actually receives the properly executed Ballot.

44. The Debtor believes that the foregoing procedures will provide ready access to the most up-to-date versions of such documents to all members of the Voting Class and other parties in interest, while also providing substantial savings to the Debtor's estate.

(c) The Court Should Approve the Distribution of the Non-Voting Status Notices to the Non-Voting Classes.

45. As discussed above, the holders of Claims and Interests in Non-Voting Classes are not entitled to vote on the Plan and, as a result, they will not receive Solicitation Packages. Instead, on or before the Solicitation Deadline, in lieu of a Solicitation Package, the Solicitation Agent will provide a Confirmation Hearing Notice and a Non-Voting Status Notice to each of the following:

- (a) **Unimpaired Claims—Conclusively Presumed to Accept.** Holders of Claims in Classes 1, 2, 4, 5, 6 and 7 who are not impaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, holders of such Claims will receive a notice, substantially in the form attached to the Disclosure Statement Order as Exhibit 3;
- (b) **Impaired Existing Equity Interests—Deemed to Reject.** Holders of Claims in Class 8 are receiving no recovery under the Plan and, therefore, are deemed to reject the Plan and will receive a notice, substantially in the form attached to the Disclosure Statement Order as Exhibit 4;

46. Each of the Non-Voting Status Notices will include, among other things:
(a) instructions as to how to view or obtain copies of the Disclosure Statement (including the Plan and the other exhibits thereto), the Disclosure Statement Order, and all other materials in the Solicitation Package (excluding Ballots) from the Solicitation Agent and/or the Court's website via PACER; (b) disclosure regarding the settlement, release, exculpation, and injunction

language set forth in Article X of the Plan; (c) notice of the Plan Objection Deadline; and (d) notice of the Confirmation Hearing Date and information related thereto.

47. In an effort to conserve the resources of the Debtor's estate, the Debtor proposes to distribute to holders of such Claims the Non-Voting Status Notices by either electronic mail or regular mail. In the event that a holder of a Claim in a Non-Voting Class has not provided an electronic mail address or it is not practicable to serve a Non-Voting Status Notices by electronic mail, the Debtor requests authorization to distribute the Non-Voting Status Notices via regular mail; *provided, however*, that any party may request to receive paper copies of such materials from the Solicitation Agent at no cost to such party.

48. The Debtor believes that distributing the Non-Voting Status Notices in lieu of the Solicitation Packages satisfies the requirements of Bankruptcy Rule 3017(d). Therefore, unless the Court orders otherwise, the Debtor does not intend to distribute Solicitation Packages to the holders of Claims and Interests in the Non-Voting Classes.

49. The Debtor further requests that it not be required to mail Solicitation Packages or other solicitation materials to: (a) holders of Claims that have already been paid in full during this chapter 11 case; (b) holders of Claims that the Debtor is authorized to pay in full in the ordinary course of business pursuant to an order previously entered by this Court and that the Debtor expects in good faith to pay in full in the ordinary course; or (c) any party to whom the Disclosure Statement Hearing Notice was sent but was subsequently returned as undeliverable.

(d) Distributing Other Materials.

50. The Debtor proposes to send, by first class mail: (i) a Solicitation Package without a Ballot to the Rule 2002 List; and (ii) the Confirmation Hearing Notice only to (a) holders of Claims, other than holders of Administrative Claims, that are not classified in the Plan pursuant

to section 1123(a)(1) of the Bankruptcy Code, and (b) all other parties included in the Debtor's creditor matrix that do not fall within any of the categories described above.

51. The Debtor anticipates that some of the Solicitation Packages or other materials or notices may also be returned by the United States Postal Service as undeliverable. The Debtor believes that it would be costly and wasteful to mail such notices to the same addresses to which previous notices have been returned as undeliverable. The Debtor requests an authorization by the Court not to re-mail Solicitation Packages or other materials or notices that were so returned unless the Debtor is provided with accurate addresses for such entities at least seven calendar days prior to the Voting Deadline.

52. The Debtor submits that it has shown good cause for implementing the notice procedures set forth herein and that such notice procedures would satisfy the requirements of Bankruptcy Rule 3017(d) and all other applicable requirements.

E. The Proposed Solicitation and Voting Procedures are Reasonable and Appropriate.

(a) The Standard for Approval of Solicitation and Voting Procedures.

53. Section 1126(c) of the Bankruptcy Code Provides that:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under section (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected the plan.

11 U.S.C. § 1126(c).

54. Additionally, Bankruptcy Rule 3018(c) provides, in part, that “[a]n acceptance or rejection [of a plan] shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent and conform to the appropriate

Official Form.” Fed. R. Bankr. P. 3018(c). Consistent with these requirements, the Debtor proposes to use the Solicitation and Voting Procedures described below.

(b) Completion of Ballots.

55. To ease and clarify the process of tabulating all votes received, the Debtor proposes that a Ballot be counted in determining the acceptance or rejection of the Plan only if it satisfies certain criteria. Specifically, the Debtor will not count a Ballot if it is, among other things, illegible, submitted by a holder of a Claim that is not entitled to vote on the Plan, unsigned, or not clearly marked. The Debtor, subject to a contrary order of the Court, reserves the right to waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, with any such waivers to be documented in the Voting Report.

(c) Ballot Tabulation and Voting Procedures.

56. The proposed Solicitation and Voting Procedures set forth specific criteria for the voting and tabulation of Ballots. The Debtor believes that the proposed Solicitation and Voting Procedures will facilitate the Plan confirmation process. Specifically, the procedures will clarify any obligations of holders of Claims entitled to vote to accept or reject the Plan and will create a straightforward process by which the Debtor can determine whether it has satisfied the numerosity requirements of section 1126(c) of the Bankruptcy Code. Accordingly, the Debtor submits that the Solicitation and Voting Procedures are in the best interests of its estate, holders of Claims, and other parties in interest, and that good cause supports the relief requested herein.

F. The Proposed Solicitation and Voting Procedures are Reasonable and Appropriate.

57. Section 1128 of the Bankruptcy Code provides that a court shall hold a hearing on confirmation of a plan and provides that parties in interest can object to confirmation. 11 U.S.C. § 1128. Additionally, Bankruptcy Rule 3017(c) provides that, on or before approval of a disclosure statement, a court shall fix a time for the hearing on confirmation of a plan. Fed. R.

Bankr. P. 3017(c). In accordance with Bankruptcy Rule 3017(c) and section 1128 of the Bankruptcy Code, the Debtor requests that the Court establish December 17, 2021 at 10:00 a.m., prevailing Eastern Time, as the initial Confirmation Hearing Date. The Debtor further requests that the Confirmation Hearing may be continued from time to time by the Court or the Debtor without further notice to parties in interest other than such adjournment being announced in open court and/or a notice of adjournment filed with the Court and served on the Rule 2002 List.

58. Bankruptcy Rule 2002(l) permits the Court to “order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice.” Fed. R. Bankr. P. 2002(l). In addition to mailing the Confirmation Hearing Notice, the Debtor proposes to publish the Confirmation Hearing Notice (or a notice substantially similar thereto) in the national and international editions of the *New York Times*, *USA Today*, and *Philippine Daily Inquirer*, within 10 business days after entry of the Disclosure Statement Order, or as soon as practicable thereafter. Additionally, the Debtor will publish the Confirmation Hearing Notice on the Debtor’s case information website (located at <http://www.kccllc.net/PAL>) and on the Court’s docket.

59. The Debtor believes that the foregoing procedures will provide sufficient notice of the approval of the Disclosure Statement, the Voting Record Date, the Voting Deadline, the time fixed for filing objections to confirmation of the Plan, and the time, date and place of the Confirmation Hearing to persons who do not receive notice by mail in accordance with the Disclosure Statement Order.

60. The Debtor submits that the foregoing procedures will provide parties in interest adequate notice of the Confirmation Hearing and, accordingly, request that the Court approve the form and manner of the proposed notice as adequate and sufficient.

G. Non-Substantive Modifications.

61. The Debtor requests authorization to make non-substantive changes to the Disclosure Statement, Plan, Confirmation Hearing Notice, Solicitation Packages, Non-Voting Status Notices, Ballots, Cover Letter, Solicitation and Voting Procedures, Assumption and Rejection Notices, and related documents without further orders of the Court, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution. Fed. R. Bankr. P. 3019.

H. The Assumption and Rejection Notices are Reasonable and Appropriate.

62. Article VIII of the Plan governs the treatment of executory contracts and unexpired releases. In particular, section 8.1(a) of the Plan provides that on the Effective Date all executory contracts and unexpired leases to which the Debtor is a party, and which have not expired or terminated by their own terms on or prior to the Effective Date shall be deemed rejected by the Debtor, subject to certain exceptions. Accordingly, the Debtor will file, as part of the Plan Supplement a schedule reflecting the Debtor's intention to assume or assume and assign executory contracts or unexpired leases in connection with the Plan and indicating that the applicable Cure Amounts.

63. To ensure that counterparties to Executory Contracts and Unexpired Leases receive notice of assumption or rejection of their Executory Contract or Unexpired Lease (and of the proposed Cure Amount, if any, or the deadline to file a rejection damages claim, if applicable), the Debtor will mail an Assumption Notice, substantially in the form attached hereto as **Exhibit 7** at least 10 days prior to the Confirmation Hearing or such other date set by the Bankruptcy Court.

Notice

64. 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 thirty largest unsecured claims against the Debtor; (c) the parties to the RSAs; (d) the DIP Lender and its counsel, White & Case LLP; (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.kccllc.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

65. No previous request for relief sought herein has been made by the Debtor to this or any other court.

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Conclusion

WHEREFORE the Debtor respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: October 13, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

By: /s/ Jasmine Ball

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*Proposed Counsel to the Debtor and Debtor
in Possession*

Exhibit A

Proposed Order

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

In re:

PHILIPPINE AIRLINES, INC.¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**ORDER (A) APPROVING THE DISCLOSURE STATEMENT; (B) APPROVING
SOLICITATION AND VOTING PROCEDURES; (C) APPROVING FORMS OF
BALLOTS; (D) SCHEDULING A CONFIRMATION HEARING; AND (E)
ESTABLISHING NOTICE AND OBJECTION PROCEDURES**

Upon the motion (the “**Motion**”)² of Philippine Airlines, Inc. (the “**Debtor**”) in the above-captioned chapter 11 case (the “**Chapter 11 Case**”), pursuant to sections 105(a), 1125, 1126, and 1128 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 3016, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 3017-1, 3018-1, and 3020-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”), for an order approving (a) the adequacy of information in the Disclosure Statement, (b) the solicitation and voting procedures, (c) the forms of Ballots and notices in connection therewith, (d) scheduling a confirmation hearing, and (e) establishing notice and objection procedures, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b), and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to

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 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 otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief sought in the Motion having been provided to the Notice Parties, such notice having been adequate and appropriate under the circumstances, and no other or further notice needing be provided; and the Court having reviewed the Motion; and the Court having held a hearing to consider the relief requested in the Motion (the “**Hearing**”); and upon the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the relief granted herein being 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 Motion is granted to the extent set forth herein.

I. Approval of the Disclosure Statement.

2. The Disclosure Statement Hearing Notice filed by the Debtor and served upon parties in interest in this Chapter 11 Case constituted adequate and sufficient notice of the hearing to consider approval of the Disclosure Statement and the deadline for filing objections to the Disclosure Statement and responses thereto, and is hereby approved.

3. The Disclosure Statement is approved as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.

4. The Disclosure Statement (including all exhibits thereto) provides holders of Claims, holders of Interests, and other parties in interest with sufficient notice of the injunction, exculpation, and release provisions contained in Article X of the Plan, in satisfaction of the requirements of Bankruptcy Rule 3016(c).

II. Approval of the Materials and Timeline for Soliciting Votes.

A. Approval of Key Dates and Deadlines with Respect to the Plan and Disclosure Statement.

5. The following dates and times are approved in connection with solicitation and confirmation of the Plan:

Event	Date and Time (prevailing Eastern Time)
Disclosure Statement Objection Deadline	November 5, 2021 at 4:00 p.m.
Voting Record Date	November 12, 2021
Disclosure Statement Hearing	November 12, 2021 at 10:00 a.m.
Deadline for Commencement of Solicitation	November 15, 2021, or 1 business day after entry of the Disclosure Statement Order, whichever is later
Publication Deadline	December 3, 2021
Plan Supplement Filing Deadline	December 3, 2021
Voting Deadline	December 10, 2021 at 4:00 p.m.
Plan Objection Deadline	December 10, 2021 at 4:00 p.m.
Deadline to File Voting Report	December 10, 2021
Deadline to File Confirmation Brief and Plan Reply	December 15, 2021 at 12:00 p.m.
Confirmation Hearing	December 17, 2021 at 10:00 a.m., or as soon thereafter as the Debtor may be heard

B. Approval of the Form of, and Distribution of, Solicitation Packages to Parties Entitled to Vote on the Plan.

6. In addition to the Disclosure Statement (and exhibits thereto, including the Plan), this order (without exhibits except the Solicitation and Voting Procedures), the Solicitation Packages to be transmitted on or before the Solicitation Deadline to those holders of Claims in the Voting Class entitled to vote on the Plan as of the Voting Record Date, shall include the following, the form of each of which is hereby approved:

- (a) Appropriate Ballots in the form attached hereto as **Exhibit 2**;
- (b) The Cover Letter attached hereto as **Exhibit 5**; and
- (c) the Confirmation Hearing Notice attached hereto as **Exhibit 6**.

7. The Solicitation Package provides the holders of Claims entitled to vote on the Plan with adequate information to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 2002(b) and 3017(d), the Bankruptcy Code, and the Local Rules.

8. The Debtor shall distribute Solicitation Package to all holders of Claims in the Voting Class on or before the Solicitation Deadline. Such service shall satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

9. The Debtor is authorized, but not directed, to distribute the Solicitation Packages to holders of Claims in the Voting Class by regular mail or electronic mail, where such holder has provided an electronic mail address. In the event that a holder of a Claim in the Voting Class has not provided an electronic mail address or it is not practicable to serve a Solicitation Package by electronic mail, the Debtor is authorized, but not directed or required, to distribute the Plan, the Disclosure Statement, and this Order (without exhibits, except the Solicitation and Voting Procedures) to holders of Claims entitled to vote on the Plan in electronic format (flash drive or CD-ROM). The Ballots, the Cover Letter, and the Confirmation Hearing Notice shall be provided in paper format. On or before the Solicitation Deadline, the Debtor (through its Solicitation Agent) shall provide complete Solicitation Packages (excluding the Ballots) to the U.S. Trustee and to all parties on the Rule 2002 List as of the Voting Record Date (via either electronic or regular mail).

10. Any party that receives the materials in electronic format but would prefer to receive materials in paper format, may contact the Solicitation Agent and request paper copies of

the corresponding materials previously received in electronic format (to be provided at the Debtor's expense).

11. The Solicitation Agent is authorized to assist the Debtor in: (a) distributing the Solicitation Packages; (b) receiving, tabulating, and reporting on the Ballots cast to accept or reject the Plan; (c) responding to inquiries from holders of Claims and Interests and other parties in interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

12. The Solicitation Agent is authorized to accept Ballots via electronic online transmission solely through a customized online balloting portal on the Debtor's case website. The encrypted ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner and the creditor's electronic signature will be deemed to be immediately legally valid and effective. Ballots submitted via the customized online balloting portal shall be deemed to contain an original signature.

C. Approval of the Confirmation Hearing Notice.

13. The Confirmation Hearing Notice, in the form attached hereto as **Exhibit 6** filed by the Debtor and served upon parties in interest in this chapter 11 case on or before the Solicitation Deadline constitutes adequate and sufficient notice of the hearings to consider approval of the Plan, the manner in which a copy of the Plan could be obtained, and the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

14. The Debtor shall use commercially reasonable efforts to publish the Confirmation Hearing Notice (or a notice substantially similar thereto) in the national and international

editions of the *New York Times*, *USA Today*, and *Philippine Daily Inquirer*, within 10 business days after entry of the Disclosure Statement Order, or as soon as practicable thereafter. The Confirmation Hearing Notice and the related publication provide holders of Claims and/or Interests and all parties in interest in the Chapter 11 Case with sufficient notice of, among other things, the releases, exculpatory provisions, and injunctions, as set forth in Article VIII of the Plan, in satisfaction of the applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

D. Approval of the Form of Notices to Non-Voting Classes.

15. Except to the extent the Debtor determines otherwise, the Debtor is not required to provide Solicitation Packages to holders of Claims or Interests in Non-Voting Classes, as such holders are not entitled to vote on the Plan. Instead, on or before the Solicitation Deadline, the Solicitation Agent shall send a Non-Voting Status Notice in lieu of Solicitation Packages, the form of each of which is hereby approved, to the holders of Claims and Interests in the following Classes (who are not entitled to vote on the Plan): Class 1 (Priority Non-Tax Claims), Class 2 (Other Secured Claims), Class 4 (General Unsecured Trade Claims), Class 5 (Employee Claims), Class 6 (Customer Claims), Class 7 (Intercompany Claims), or Class 8 (Existing Equity Interests).

16. The Debtor is not required to send Solicitation Packages or other solicitation materials to: (a) holders of Claims that have already been paid in full during this chapter 11 case or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court; or (b) any party to whom the Disclosure Statement Hearing Notice was sent but was subsequently returned as undeliverable.

17. The Debtor is authorized to distribute the Non-Voting Status Notices to holders of Claims not entitled to vote on the Plan by either regular mail or electronic mail where such holder has provided an electronic mail address.

E. Approval of the Solicitation and Voting Procedures.

18. The Debtor is authorized to solicit, receive, and tabulate votes to accept the Plan in accordance with the Solicitation and Voting Procedures attached hereto as **Exhibit 1**, which are hereby approved in their entirety.

F. Approval of Notices to Contract and Lease Counterparties.

19. The Debtor is authorized to mail a notice of assumption of Executory Contracts or Unexpired Leases that will be assumed pursuant to the Plan (and of the corresponding cure claims, if any), in the form attached hereto as **Exhibit 7**, to the applicable counterparties within the time periods specified in the Plan.

20. Nothing in this order shall be construed as a waiver of the right of the Debtor or any other party in interest, as applicable, to object to a proof of claim after the Voting Record Date.

21. All time periods set forth in this order shall be calculated in accordance with Bankruptcy Rule 9006(a).

22. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this order in accordance with the Motion.

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

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Solicitation and Voting Procedures

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

SOLICITATION AND VOTING PROCEDURES

On [●], 2021, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered its *Order (A) Approving the Disclosure Statement, (B) Approving Solicitation and Voting Procedures, (C) Approving Forms of Ballots; (D) Scheduling a Confirmation Hearing, and (E) Establishing Notice and Objection Procedures* [Docket No. [●]] (the “**Disclosure Statement Order**”) that, among other things, (a) approved the adequacy of the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as amended and including all exhibits thereto, the “**Disclosure Statement**”) and (b) authorized the above-captioned debtor and debtor in possession (the “**Debtor**” or “**PAL**”) to solicit acceptances or rejections of *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as may be amended from time to time, the “**Plan**”) from holders of impaired claims who are (or may be) entitled to vote under the Plan.

A. The Voting Record Date

The Court has approved the date of the Disclosure Statement Hearing as the record date for purposes of determining which holders of claims in the Voting Class are entitled to vote on the Plan (the “**Voting Record Date**”).

B. The Voting Deadline

The Court has approved **December 10, 2021 at 4:00 p.m. (prevailing Eastern Time)** as the voting deadline (the “**Voting Deadline**”) for the Plan. The Debtor may extend the Voting Deadline, in its discretion, without further order of the Court. To be counted as votes to accept or reject the Plan, all ballots casting votes on the Plan (“**Ballots**”) must be properly executed, completed, and delivered to KCC (the “**Solicitation Agent**”) by: (1) first class mail; (2) overnight courier; or (3) personal delivery to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Hwy., Ste. 300, El Segundo, CA 90245 U.S.A.; or (4) via the online balloting portal at www.kccllc.net/PAL so that they are actually received, in any case, no later than the Voting Deadline by the Solicitation Agent. Delivery of a Ballot to the Solicitation Agent by electronic

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.

mail, facsimile or other means of electronic submission (except as set forth above) will not be valid.

C. Form, Content, and Manner of Notices

1. The Solicitation Package

The following materials will constitute the solicitation package (the “**Solicitation Package**”):

- (a) the Solicitation and Voting Procedures;
- (b) the Cover Letter;
- (c) the Confirmation Hearing Notice;
- (d) the approved Disclosure Statement (and exhibits thereto, including the Plan);
- (e) the Disclosure Statement Order (excluding exhibits thereto);
- (f) a Ballot, instructions on how to complete the Ballot, and a pre-paid, pre-addressed return envelope;² and
- (g) such other materials as the Court may direct to include in the Solicitation Package.

2. Distribution of the Solicitation Package

The Solicitation Package shall include the Plan, the Disclosure Statement, the Disclosure Statement Order (without exhibits, except the Solicitation and Voting Procedures) in electronic format (flash drive or CD-ROM), and all other contents of the Solicitation Package, including Ballots, in paper format. Any party that prefers to receive the materials on paper (at the Debtor’s expense) may contact the Solicitation Agent by: (a) calling (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); (b) visiting the Debtor’s restructuring website at: <http://www.kccllc.net/PAL>; (c) writing to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A.; and/or (d) emailing PALInfo@kccllc.com.

The Debtor will serve, or cause to be served, all of the materials in the Solicitation Package (excluding the Ballots) on the U.S. Trustee and all parties who have requested service of papers in this case pursuant to Bankruptcy Rule 2002 as of the Voting Record Date. In addition, the Debtor shall mail, or cause to be mailed, the Solicitation Package to all holders of Claims in the Voting Class on or before November 15, 2021 who are entitled to vote.

² Service of the Solicitation Package by email to Holders for which email addresses are available will not contain a pre-addressed, postage pre-paid return envelope.

To avoid duplication and reduce expenses, the Debtor will make every reasonable effort to ensure that any holder of a Claim who has filed duplicative Claims that are classified under the Plan in the same Voting Class will receive no more than one Solicitation Package (and, therefore, one Ballot) on account of such Claim and with respect to that Class.

3. Resolution of Disputed Claims for Voting Purposes

If a claim in the Voting Class is subject to an objection that is pending on the Voting Deadline, the applicable holder will not be entitled to vote to accept or reject the Plan on account of such claim unless either of the following events (each a “**Resolution Event**”) occurs no later than three business days prior to the Voting Deadline: (a) an order of the Court is entered temporarily allowing such claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; or (b) a stipulation or other agreement is executed between the holder or such claim and the Debtor temporarily or permanently allowing such claim in an agreed upon amount. No later than two business days following the occurrence of a Resolution Event resolving a Disputed Claim, the Debtor will cause the Solicitation Agent to distribute via email, hand delivery, or overnight courier service a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant holder

4. Distribution of Materials to Holders of Claims and Interests in Non-Voting Classes

Certain holders of Claims that are not classified in accordance with section 1123(a)(1) of the Bankruptcy Code, who are not entitled to vote because they are not Impaired or otherwise presumed to accept the Plan under section 1126(f) of the Bankruptcy Code, or who are not entitled to vote because they are Impaired and are not receiving any distribution under the Plan and thus presumed to reject the Plan under section 1126(g) will receive a Non-Voting Status Notice, substantially in the forms attached to the Disclosure Statement Order as **Exhibit 3** and **Exhibit 4**, respectively. Such notices will instruct these holders as to how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots).

5. Notices in Respect of Executory Contracts and Unexpired Leases

Counterparties to Executory Contracts and Unexpired Leases that receive a Notice of Assumption of Executory Contracts and Unexpired Leases substantially in the form attached as **Exhibit 7** to the Disclosure Statement Order may file an objection to the Debtor’s proposed assumption and/or cure amount unless previously agreed to by such Counterparty. Objections must be filed, served and actually received by the Debtor no later than December 10, 2021 at 4:00 pm, prevailing Eastern Time, as set forth in the applicable notice of assumption.

D. Voting and Tabulation Procedures

1. Holders of Claims Entitled to Vote

Only the following holders of claims in the Voting Class (the “**Voting Class**”) will be entitled to vote on the Plan with regard to such claims:

(a) Holders of Claims who, on or before the Voting Record Date, have timely filed a Proof of Claim (or an untimely Proof of Claim that has been deemed timely by the Court on or before the Voting Record Date) that: (i) has not been expunged, disallowed, disqualified, withdrawn, or superseded prior to the Voting Record Date; and (ii) is not the subject of a pending objection;

(b) Holders of claims in Class 3 (General Unsecured Claims) (in each case through the “**General Voting and Ballot Tabulation Procedures**” set forth below);

(c) Holders of Claims that are listed in the Schedules, provided that Claims that are scheduled as contingent, unliquidated, or disputed (excluding such scheduled disputed, contingent, or unliquidated Claims that have been paid or superseded by a timely Filed Proof of Claim) shall be allowed to vote only in the amounts set forth in section D.2. of these Solicitation and Voting Procedures;

(d) Holders whose Claims arise: (i) pursuant to an agreement or settlement with the Debtor, as reflected in a document filed with the Court; (ii) in an order entered by the Court; or (iii) in a document executed by the Debtor pursuant to authority granted by the Court, in each case regardless of whether a Proof of Claim has been filed;

(e) Holders of any Disputed Claim that has been temporarily allowed to vote on the Plan pursuant to Bankruptcy Rule 3018;

(f) Only one claimant for each aircraft lease will receive Solicitation Packages to be able to vote on the Plan. Annex 1 to the Solicitation Procedures sets forth, for each such transaction, the facility agent, administrative agent, security trustee, or owner trustee whom the Debtor proposes to solicit; and

(g) transferees and assignees of any claims described in clause (a) or clause (e) above, but only to the extent that the relevant transfer or assignment is properly noted on the Court’s docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Voting Record Date

2. **Establishing Claim Amounts for Voting Purposes**

The claim amount established herein will control for voting purposes only and will not constitute the allowed amount of any claim. Moreover, any amounts filled in on Ballots by the Debtor through the Solicitation Agent, as applicable, are not binding for purposes of allowance and distribution. In tabulating votes, the following hierarchy will be used to determine the amount of the claim associated with each claimant’s vote:

(a) the claim amount settled and/or agreed upon by the Debtor, as reflected in a document filed with the Court, in an order of the Court, or in a document executed by the Debtor pursuant to authority granted by the Court;

(b) the claim amount allowed (temporarily or otherwise) pursuant to a Resolution Event;

(c) the claim amount contained in a proof of claim that has been filed, except for any amounts asserted on account of any interest accrued after the Petition Date; *provided however* that Ballots cast by holders of claims who file a proof of claim in respect of a contingent claim or in a wholly-unliquidated or unknown amount that is not the subject of an objection will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code, and, if a proof of claim is filed as partially liquidated and partially unliquidated, such claim will be allowed for voting purposes only in the liquidated amount; provided further, however, that to the extent the claim amount contained in the proof of claim is different from the claim amount set forth in a document filed with the Court as referenced in subparagraph (a) above, the claim amount in the document filed with the Court will supersede the claim amount set forth on the respective proof of claim;

(d) the claim amount listed in the Schedules, provided that such claim is not scheduled as contingent, disputed, or unliquidated and/or has not been paid; and

(e) in the absence of any of the foregoing, such claim will be disallowed for voting purposes;

3. **General Voting and Ballot Tabulation Procedures**

The following voting procedures and standard assumptions shall be used in tabulating Ballots, subject to the Debtor's right to waive any of the below specified requirements for completion and submission of Ballots, so long as such requirement is not otherwise required by the Bankruptcy Code, Bankruptcy Rules, or Local Rules:

(a) except as otherwise provided in the Solicitation and Voting Procedures, unless the Ballot being furnished is timely submitted on or prior to the Voting Deadline (as the same may be extended by the Debtor), the Debtor shall reject such Ballot as invalid and, therefore, shall not count it in connection with Confirmation of the Plan;

(b) the Solicitation Agent will date-stamp all Ballots when received. The Solicitation Agent shall retain the original Ballots and an electronic copy of the same for a period of one year after the Effective Date of the Plan, unless otherwise ordered by the Court;

(c) consistent with the requirements of Local Rule 3018-1, the Debtor will file with the Court, at least seven days prior to the Confirmation Hearing, a certification of votes (the "**Voting Report**"). The Voting Report shall, among other things, certify to the Court in writing the amount and number of Claims of each Class accepting or rejecting the Plan, and delineate every Ballot that does not conform to the voting instructions or that contains any form of irregularity including, but not limited to, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or electronic mail, or damaged ("**Irregular**

Ballots”). The Voting Report shall indicate the Debtor’s intentions with regard to each such Irregular Ballot. The Voting Report shall be served upon the U.S. Trustee;

(d) the method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Solicitation Agent actually receives the properly executed Ballot;

(e) delivery of a Ballot to the Solicitation Agent by facsimile, or any electronic means other than expressly provided in these Solicitation and Voting Procedures will not be valid;

(f) no Ballot should be sent to the Debtor, the Debtor’s agents (other than the Solicitation Agent), the Debtor’s financial or legal advisors, and if so sent will not be counted;

(g) if multiple Ballots are received from the same holder with respect to the same Claim prior to the Voting Deadline, the last properly executed Ballot timely received will be deemed to reflect that voter’s intent and will supersede and revoke any prior Ballot;

(h) holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split their votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent a holder has multiple Claims within the same Class, the Debtor may, in its discretion, aggregate such Claims for the purpose of counting votes;

(i) a person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity of a holder of a Claim must indicate such capacity when signing;

(j) the Debtor, subject to a contrary order of the Court, may waive any defects or irregularities as to any particular irregular Ballot at any time, either before or after the close of voting, and any such waivers will be documented in the Voting Report;

(k) neither the Debtor, the Solicitation Agent, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

(l) unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;

(m) in the event a designation for lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Court will determine whether

any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted or rejected;

(n) subject to any order of the Court, the Debtor reserves the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtor, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided that any such rejections will be documented in the Voting Report;

(o) if a Claim has been estimated or otherwise Allowed for voting purposes only by order of the Court, such Claim shall be temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;

(p) if an objection to a Claim is pending on the Voting Deadline, such Claim shall be treated in accordance with the procedures set forth herein;

(q) the following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the relevant Claim; (ii) any Ballot cast by any Entity that does not hold a Claim in the Voting Class; (iii) any Ballot cast for a Claim scheduled as unliquidated, contingent, or disputed for which no Proof of Claim was timely filed; (iv) any unsigned Ballot or Ballot lacking an original signature (for the avoidance of doubt, a Ballot cast via the online balloting portal will be deemed to be an original signature); (v) any Ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan; and (vi) any Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein;

(r) after the Voting Deadline, no Ballot may be withdrawn or modified without the prior written consent of the Debtor;

(s) the Debtor is authorized to enter into stipulations with the holder of any Claim agreeing to the amount of a Claim for voting purposes; and

(t) where any portion of any Claim has been transferred to a transferee, all holders of any portion of such Claim will be: (i) treated as a single creditor for purposes of the numerosity requirements in section 1126(c) of the Bankruptcy Code (and for the other voting and solicitation procedures set forth herein), and (ii) required to vote every portion of such Claim collectively to accept or reject the Plan. In the event that: (x) a Ballot, (y) a group of Ballots within a Voting Class received from a single creditor, or (z) a group of Ballots received from the holders of multiple portions of a single Claim partially reject and partially accept the Plan, such Ballots shall not be counted.

E. Amendments to the Plan and Solicitation Procedures

Debtor reserves the right to make non-substantive or immaterial changes to the Disclosure Statement, the Plan, the Ballots, the Confirmation Hearing Notice, and related documents without further order of the Court, including changes to correct typographical and

grammatical errors and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Package before their distribution.

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Annex 1 to Solicitation Procedures

Allowed Class 3 General Unsecured Claims for Voting Purposes¹

<u>Creditor Name</u>	<u>Proof of Claim No.</u> <u>(if any)</u>	<u>Voting Claim</u> <u>Amount</u>	<u>MSN</u>

¹ The majority of the Class 3 claims listed on this Annex 1 have been allowed pursuant to the applicable Restructuring Support Agreement.

EXHIBIT 2

Ballot

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**BALLOT FOR ACCEPTING OR REJECTING THE CHAPTER 11 PLAN OF
REORGANIZATION OF PHILIPPINE AIRLINES, INC.**

CLASS 3 – GENERAL UNSECURED CLAIMS

**Please read and follow the enclosed instructions for completing Ballots carefully before
completing this Ballot.**

**In order for your vote to be counted, this Ballot must be completed, executed, and returned
so as to be actually received by the Solicitation Agent by December 10, 2021 at 4:00 p.m.
Prevailing Eastern Time (the “Voting Deadline”) in accordance with the following:**

The above-captioned debtor and debtor in possession (the “**Debtor**” or “**PAL**”) is soliciting votes on *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as may be amended from time to time, the “**Plan**”) as described in the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as amended and including all exhibits and supplements thereto, the “**Disclosure Statement**”). The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has approved the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code by an order dated [●], 2021 (the “**Disclosure Statement Order**”). The Court’s approval of the Disclosure Statement does not indicate its approval of the Plan.²

You are receiving this ballot (the “**Ballot**”) because you are a holder of a Claim in Class 3 (General Unsecured Claims) as of the Voting Record Date. Accordingly, you have a right to vote to accept or reject the Plan. You can cast your vote through this Ballot.

Your rights are described in the Disclosure Statement, which was included in the package (the “**Solicitation Package**”) you are receiving with this Ballot (as well as the Plan, Disclosure

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 otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

Statement Order, and certain other materials). If you received the Solicitation Package in electronic format and desire paper copies of all or some of the materials, or if you need to obtain additional Solicitation Packages, you may obtain them from (a) Kurtzman Carson Consultants LLC (the “**Solicitation Agent**”) at no charge by: (i) accessing the Debtor’s restructuring website with the Solicitation Agent at <http://www.kccllc.net/PAL>; (ii) writing to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A.; (iii) calling the Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); or (iv) submitting an inquiry at (a) <http://www.kccllc.net/PAL>; or (b) via PACER for a fee at <http://www.nysb.uscourts.gov>.

This Ballot may not be used for any purpose other than for (i) casting your vote to accept or reject the Plan, (ii) making an election with respect to the form of distribution you will receive under the Plan, (iii) opting out of the Third-Party Release contained in the Plan, and (iv) making certain certifications with respect your vote. If you believe you have received this Ballot in error, or if you believe that you have received the wrong Ballot, please contact the Solicitation Agent immediately at the address or telephone number set forth above.

You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the Plan’s classification and treatment of your Claim.

Item 1. Principal Amount of Class 3 General Unsecured Claim

The undersigned hereby certifies that as of the Voting Record Date the undersigned was the holder of a Class 3 General Unsecured Claim against PAL in the following amount (insert amount in box below):

Amount of Claim: \$

Item 2. Important information regarding the Debtor Release, Third-Party Release, Exculpation and Injunction Discharge

Article X.10.6 of the Plan provides for a debtor release (the “Debtor Release”):³

RELEASES BY DEBTOR. Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Released Parties shall be deemed released and discharged by the Debtor, the Reorganized

³ “Released Parties” means each of, and solely in its capacity as such, (a) the Debtor or the Reorganized Debtor, (b) the DIP Lenders, (c) the DIP Agent, (d) the Bridge Lender and (e) the Related Parties for each of the foregoing, in each case only in their capacity as such.

Debtor, and the Estate, and any person seeking to exercise the rights of the Estate, including any successors to the Debtor or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, from any and all Claims, obligations, rights, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that the Debtor, the Reorganized Debtor, the Estate, or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(a) shall be construed to release the Released Parties from gross negligence, willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released thereby; (3) in the best interests of the Debtor and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.6 of the Plan provides for releases by Holders of Claims or Interests ("Third-Party Release"):

RELEASES BY HOLDERS OF CLAIMS OR INTERESTS. Notwithstanding anything contained in the Plan to the contrary, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the

Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Releasing Parties are deemed to have fully, conclusively, absolutely and irrevocably released and discharged the Released Parties from any and all Claims, obligations, rights, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that any such Releasing Party would have been legally entitled to assert (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(b) shall be construed to release the Released Parties from willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the Claims released thereby; (5) in the best interests of the Debtor and all holders of Claims and Interests; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.7 of the Plan provides for an exculpation (the "Exculpation"):

EXCULPATION. Notwithstanding anything herein to the contrary, and to the

maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Case, the negotiation, formulation, preparation, and pursuit of the Disclosure Statement, the Restructuring Support Agreements, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the transactions relating to the Debtor's restructuring, the Plan, or the solicitation of votes for, or confirmation of, the Plan, the funding or consummation of the Plan (including the Plan Supplement), the Definitive Documents, the Restructuring Transactions, or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Distribution of any Securities issued or to be issued pursuant to the Plan, whether or not such Distribution occurs following the Effective Date, the occurrence of the Effective Date, negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed under the Plan, except for actions determined by Final Order to constitute gross negligence, willful misconduct, or intentional fraud. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. Nothing herein shall be deemed to be a release or waiver of the Reorganized Debtor's obligations under the Exit Facility Documents.

Article X.10.5 of the Plan provides for an injunction (the "Injunction"):

(a) Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged or released pursuant to the Plan.

(b) Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtor and a holder of a Claim against or Interest in the Debtor, all Entities who have held, hold, or may hold Claims against or Interests in the Debtor (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) on account of or in connection with or with respect to any such Claims or Interests or against or affecting the Released

Parties or the property of any of the Released Parties, (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Released Parties or the property of any of the Released Parties, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Released Parties or the property of any of the Released Parties, (iv) asserting any right of setoff, directly or indirectly, against any obligation due the Released Parties or the property of any of the Released Parties, except as contemplated or allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(c) By accepting Distributions pursuant to the Plan, each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan shall be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in this Section 10.5.

(d) The injunctions in this Section 10.5 shall extend to any successors of the Debtor and the Reorganized Debtor and their respective property and interests in property.

Item 3. Opt Out of Third-Party Release

Check the following box only if you wish to opt out of the Third-Party Release set forth above:

Opt Out of the Third Party Release

Item 4. Vote on Plan

The holder of the Class 3 General Unsecured Claim set forth in Item 1 votes to (please check one):

<u>ACCEPT THE PLAN</u> <input type="checkbox"/>	<u>REJECT THE PLAN</u> <input type="checkbox"/>
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Any Ballot that is executed by the holder of a claim, but that indicates both an acceptance and a rejection of the Plan, or does not indicate either an acceptance or rejection of the Plan, will not be counted.

Item 5. Certifications

By signing this Ballot, the undersigned certifies to the Court and the Debtor:

1. as of the Voting Record Date, I am either: (i) the holder of the Claims being voted on this Ballot; or (ii) an authorized signatory for an Entity that is a holder of the Claims being voted on this Ballot;
2. I (or in the case of an authorized signatory, the holder of the Claim being voted) have received a copy of the Disclosure Statement and the Solicitation Package and acknowledge that the solicitation is being made pursuant to the terms and conditions set forth therein;
3. If I have voted to accept the Plan, I will be deemed to have consented to the Third-Party Release, regardless of whether I checked the box in Item 3;
4. I have cast the same vote with respect to all my Claims in Class 3; and
5. no other Ballots with respect to the Claims in Class 3 have been cast or, if any other Ballots have been cast with respect to such Claims, then any such earlier received Ballots are hereby revoked.

Name of Holder: _____
(Please print or type)

Signature: _____

Name of Signatory: _____
(If other than Holder)⁴

Title: _____

Address: _____

Phone Number: _____

Email Address: _____

Date Completed: _____

⁴ If you are completing this Ballot on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

Please complete, sign, and date this Ballot and return it (with an original signature) promptly in the envelope provided via first class mail, overnight courier, hand-delivery to:

**PAL Ballot Processing Center
c/o KCC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245 U.S.A.**

Alternatively, to submit your Ballot via the Solicitation Agent’s online balloting portal, visit <http://www.kccllc.net/PAL>. Click on the “Submit E-Ballot” section of the website and follow the instructions to submit your Ballot.

IMPORTANT NOTE: You will need the following information to retrieve and submit your customized electronic Ballot:

Unique E-Ballot ID#: _____.

Custom PIN#: _____.

The Solicitation Agent’s online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots submitted by facsimile, email or other means of electronic transmission will not be counted.

Each E-Ballot ID# is to be used solely for voting only those Claims described in Item 1 of your electronic Ballot. Please complete and submit an electronic Ballot for each E-Ballot ID# you receive, as applicable. Creditors who cast a Ballot using the Solicitation Agent’s online portal should NOT also submit a paper Ballot.

If the Solicitation Agent does not actually receive this Ballot on or before December 10, 2021 at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtor.

INSTRUCTIONS FOR COMPLETING BALLOTS

1. The Debtor is soliciting the votes of holders of Claims with respect to the Plan attached as **Exhibit A** to the Disclosure Statement. Capitalized terms used in the Ballot or in these instructions but not otherwise defined therein or herein have the meaning set forth in the Plan. **Please read the Plan and Disclosure Statement carefully before completing this Ballot.**

2. The Plan can be confirmed by the Court and thereby made binding upon you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of Claims in at least one Class of creditors that votes on the Plan and if the Plan otherwise satisfies the requirements for confirmation provided by section 1129 of the Bankruptcy Code. Please review the Disclosure Statement for more information.

3. **Use of Hard Copy Ballot.** To ensure that your hard copy Ballot is counted, you must: (a) complete this Ballot in accordance with these instructions; (b) clearly indicate your decision either to accept or reject the Plan in the boxes provided in Item 3 of the Ballot; and (c) clearly sign and return your original Ballot in the enclosed pre addressed envelope or via first class mail, overnight courier, or hand delivery to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A., in accordance with paragraph 6 below.

4. **Use of Online Ballot Portal.** To ensure that your electronic Ballot is counted, please follow the instructions of the Debtor's case administration website at <http://www.kccllc.net/PAL> (click "**Submit E-Ballot**" link). You will need to enter your unique E-Ballot identification number indicated above. The online balloting portal is the sole manner in which Ballots will be accepted via electronic or online transmission. Ballots will not be accepted by facsimile or electronic means (other than the online balloting portal).

5. **Ballots will not be accepted by facsimile or other electronic means (other than via the online balloting portal).**

6. Your Ballot (whether submitted by hard copy or through the online balloting portal) must be returned to the Solicitation Agent so as to be **actually received** by the Solicitation Agent on or before the Voting Deadline. **The Voting Deadline is December 10, 2021 at 4:00 p.m., prevailing Eastern Time.**

7. If a Ballot is received after the Voting Deadline and if the Voting Deadline is not extended, it may be counted only in the sole and absolute discretion of the Debtor. Additionally, **the following Ballots will not be counted:**

- (a) any Ballot that partially rejects and partially accepts the Plan;
- (b) any Ballot that both accepts and rejects the Plan;
- (c) any Ballot sent to the Debtor, the Debtor's agents (other than the Solicitation Agent), any indenture trustee, or the Debtor's financial or legal advisors;
- (d) any Ballot sent by facsimile or any electronic means other than via the online balloting portal;
- (e) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim;

- (f) any Ballot cast by an Entity that does not hold a Claim in the Class indicated on the first page of the Ballot;
- (g) any Ballot submitted by a holder not entitled to vote pursuant to the Plan;
- (h) any unsigned Ballot;
- (i) any non-original Ballot (excluding those Ballots submitted via the online balloting portal); and/or any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan.

8. The method of delivery of the Ballot to the Solicitation Agent is at the election and risk of each holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Solicitation Agent **actually receives** the originally executed Ballot. In all cases, holders should allow sufficient time to assure timely delivery.

9. If multiple Ballots are received from the same holder with respect to the same Claim prior to the Voting Deadline, the latest, timely received, and properly completed Ballot will supersede and revoke any earlier received Ballots.

10. You must vote all of your Claims within a Class either to accept or reject the Plan and may not split your vote. Further, if you have multiple Claims within a Class, the Debtor may, in its discretion, aggregate your Claims within such Class for the purpose of counting votes.

11. This Ballot does **not** constitute, and shall not be deemed to be, (a) a Proof of Claim or (b) an assertion or admission of a Claim.

12. **Please be sure to sign and date your Ballot.**

13. If you hold Claims in more than one Class under the Plan you may receive more than one Ballot coded for each different Class. Each Ballot votes **only** your Claims indicated on that Ballot, so please complete and return each Ballot that you received.

Please return your Ballot promptly.

If you have any questions regarding this Ballot, these voting instructions or the procedures for voting, please call the restructuring hotline at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international) or email PALInfo@kcellc.com.

If the Solicitation Agent does not actually receive this Ballot on or before December 10, 2021 at 4:00 p.m., prevailing Eastern Time (and if the Voting Deadline is not extended), your vote transmitted by this Ballot may be counted toward Confirmation of the Plan only in the sole and absolute discretion of the Debtor.

EXHIBIT 3

**Notice of Non-Voting Status
(Deemed to Accept)**

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF NON-VOTING STATUS AND RELEASE OPT-OUT FORM FOR
UNIMPAIRED CLASSES AND INTERESTS CONCLUSIVELY PRESUMED TO
ACCEPT THE PLAN**

PLEASE TAKE NOTICE THAT by the order dated [●], 2021 (the “**Disclosure Statement Order**”),² the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) approved the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as amended and including all exhibits and supplements thereto, the “**Disclosure Statement**”) [Docket No. [●]] filed by the above-captioned Debtor and authorized the Debtor to solicit votes to accept or reject *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as may be amended from time to time, the “**Plan**”) [Docket No. [●]].

PLEASE TAKE FURTHER NOTICE THAT because of the proposed treatment of your Claim under the Plan, you are not entitled to vote on the Plan. As a holder of a Claim that is not impaired under the terms of the Plan, you are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider confirmation of the Plan (the “**Confirmation Hearing**”) will commence on **December 17, 2021 at 10:00 a.m., prevailing Eastern Time** before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **December 10, 2021 at 4:00 p.m., prevailing Eastern Time**. Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be

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 otherwise defined herein shall have the meanings ascribed to them in the Plan.

filed with the Court (contemporaneously with a proof of service) and served upon the following parties so that it is **actually received** on or before **December 10, 2021 at 4:00 p.m., prevailing Eastern Time:**

(a) counsel to the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: Jasmine Ball, Nick S. Kaluk, III, and Elie J. Worenklein. (jball@debevoise.com, nskaluk@debevoise.com, and eworenklein@debevoise.com); and

(b) the Office of the U.S. Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York 10014, Attn: Susan A. Arbeit and Benjamin Higgins (Susan.Arbeit@usdoj.gov and Benjamin.J.Higgins@usdoj.gov);

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and other documents and materials included in the Solicitation Package may be obtained at no charge from Kurtzman Carson Consultants LLC, the administrative agent retained by the Debtor in this chapter 11 case (the “**Solicitation Agent**”) by: (a) accessing the Solicitation Agent’s website at www.kccllc.net/PAL; (b) writing to the Solicitation Agent, by first-class mail to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Hwy., Ste. 300, El Segundo, CA 90245 U.S.A.; (c) calling the Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); or (d) emailing PALInfo@kccllc.com. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE THAT Article X of the Plan contains the following release, exculpation, and injunction provisions. You are advised and encouraged to carefully review and consider the Plan, including the release, exculpation and injunction provisions, as your rights might be affected.

Article X.10.6 of the Plan provides for a debtor release (the “Debtor Release”):³

RELEASES BY DEBTOR. Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Released Parties shall be deemed released and discharged by the Debtor, the Reorganized Debtor, and the Estate, and any person seeking to exercise the rights of the Estate, including any successors to the Debtor or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, from any and all Claims, obligations, rights, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized

³ “Released Parties” means each of, and solely in its capacity as such, (a) the Debtor or the Reorganized Debtor, (b) the DIP Lenders, (c) the DIP Agent, (d) the Bridge Lender and (e) the Related Parties for each of the foregoing, in each case only in their capacity as such.

Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that the Debtor, the Reorganized Debtor, the Estate, or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(a) shall be construed to release the Released Parties from gross negligence, willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released thereby; (3) in the best interests of the Debtor and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.6 of the Plan provides for releases by Holders of Claims or Interests ("Third-Party Release"):

RELEASES BY HOLDERS OF CLAIMS OR INTERESTS. Notwithstanding anything contained in the Plan to the contrary, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Releasing Parties are deemed to have fully, conclusively, absolutely and irrevocably released and discharged the Released Parties from any and all Claims, obligations, rights, suits, judgments, damages,

demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that any such Releasing Party would have been legally entitled to assert (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(b) shall be construed to release the Released Parties from willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the Claims released thereby; (5) in the best interests of the Debtor and all holders of Claims and Interests; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.7 of the Plan provides for an exculpation (the "Exculpation"):

EXCULPATION. Notwithstanding anything herein to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Case, the negotiation, formulation, preparation, and pursuit of the Disclosure Statement, the Restructuring Support Agreements, the

DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the transactions relating to the Debtor's restructuring, the Plan, or the solicitation of votes for, or confirmation of, the Plan, the funding or consummation of the Plan (including the Plan Supplement), the Definitive Documents, the Restructuring Transactions, or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Distribution of any Securities issued or to be issued pursuant to the Plan, whether or not such Distribution occurs following the Effective Date, the occurrence of the Effective Date, negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed under the Plan, except for actions determined by Final Order to constitute gross negligence, willful misconduct, or intentional fraud. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. Nothing herein shall be deemed to be a release or waiver of the Reorganized Debtor's obligations under the Exit Facility Documents.

Article X.10.5 of the Plan provides for an injunction (the "Injunction"):

(a) Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged or released pursuant to the Plan.

(b) Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtor and a holder of a Claim against or Interest in the Debtor, all Entities who have held, hold, or may hold Claims against or Interests in the Debtor (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) on account of or in connection with or with respect to any such Claims or Interests or against or affecting the Released Parties or the property of any of the Released Parties, (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Released Parties or the property of any of the Released Parties, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the

Released Parties or the property of any of the Released Parties, (iv) asserting any right of setoff, directly or indirectly, against any obligation due the Released Parties or the property of any of the Released Parties, except as contemplated or allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(c) By accepting Distributions pursuant to the Plan, each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan shall be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in this Section 10.5.

(d) The injunctions in this Section 10.5 shall extend to any successors of the Debtor and the Reorganized Debtor and their respective property and interests in property.

Item 1. Optional Release Election.

You may Opt-Out of the Third-Party Release provisions as set forth above by checking the “Opt- Out” box below and not voting to accept the Plan.

If you do not opt out of the Third-Party Release by checking the box below and properly and timely submitting this Notice of Non-Voting Status, you will be deemed to have unconditionally, irrevocably, and forever released and discharged the Released Parties (as defined in the Plan) from, among other things, any and all claims that relate to the Debtor. If you would otherwise be entitled to be a Released Party under the Plan, but you opt not to grant the Third-Party Release, then you will not be a Released Party.

REGARDLESS OF WHETHER YOU ELECT TO OPT-OUT OF THE PLAN’S THIRD PARTY RELEASE, YOUR RECOVERY UNDER THE PLAN REMAINS UNAFFECTED.

Opt Out of the Plan’s Third Party Release
with Respect to the Released Parties.

You are strongly encouraged to review the Disclosure Statement and the Plan before you make an election. You may wish to seek legal advice concerning the Plan and the treatment of your Claim.

Item 2. Certifications. By returning this Notice of Non-Voting Status and Opt-Out Form, the holder of the Unimpaired Claim(s) or Interest(s) identified below certifies that (a) it was the holder of Unimpaired Claim(s) or Interest(s) as of the Record Date and/or it has full power and authority to opt out of the Third Party Release for the Unimpaired Claim(s) or Interest(s) identified below with respect to such Unimpaired Claim(s) or Interest(s) and (b) it understands the scope of the releases.

Name of Holder: _____
(Please print or type)

Signature: _____

Name of Signatory: _____
(If other than Holder)⁴

Title: _____

Address: _____

Phone Number: _____

Email Address: _____

Date Completed: _____

IF YOU WISH TO OPT-OUT OF THE THIRD PARTY RELEASE, PLEASE COMPLETE, SIGN, AND DATE THIS RELEASE OPT-OUT FORM AND RETURN IT PROMPTLY. YOUR RELEASE OPT-OUT FORM MUST BE ACTUALLY RECEIVED BY THE OPT-OUT DEADLINE, WHICH IS DECEMBER 10, 2021 AT 4:00 P.M. (PREVAILING EASTERN TIME).

⁴ If you are completing this election on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing. You may be required to provide additional information or documentation with respect to such relationship.

EXHIBIT 4

**Notice of Non-Voting Status
(Deemed to Reject)**

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF NON-VOTING STATUS
FOR UNCLASSIFIED CLAIMS AND UNIMPAIRED CLASSES**

PLEASE TAKE NOTICE THAT by the order dated [●], 2021 (the “**Disclosure Statement Order**”),² the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) approved the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as amended and including all exhibits and supplements thereto, the “**Disclosure Statement**”) [Docket No. [●]] filed by the above-captioned Debtor and authorized the Debtor to solicit votes to accept or reject *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as may be amended from time to time, the “**Plan**”) [Docket No. [●]].

PLEASE TAKE FURTHER NOTICE THAT because of the proposed treatment of your Claim under the Plan, **you are not entitled to vote on the Plan.** As a holder of a Claim that is not impaired under the terms of the Plan, you are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider confirmation of the Plan (the “**Confirmation Hearing**”) will commence on **December 17, 2021 at 10:00 a.m., prevailing Eastern Time** before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **December 10, 2021 at 4:00 p.m., prevailing Eastern Time.** Any objection to the Plan must: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following

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 otherwise defined herein shall have the meanings ascribed to them in the Plan.

parties so that it is **actually received** on or before **December 10, 2021 at 4:00 p.m., prevailing Eastern Time:**

(a) counsel to the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: Jasmine Ball, Nick S. Kaluk, III, and Elie J. Worenklein. (jball@debevoise.com, nskaluk@debevoise.com, and eworenklein@debevoise.com); and

(b) the Office of the U.S. Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York 10014, Attn: Susan A. Arbeit and Benjamin Higgins (Susan.Arbeit@usdoj.gov and Benjamin.J.Higgins@usdoj.gov);

PLEASE TAKE FURTHER NOTICE THAT the Disclosure Statement, the Disclosure Statement Order, the Plan, and other documents and materials included in the Solicitation Package may be obtained at no charge from Kurtzman Carson Consultants LLC, the administrative agent retained by the Debtor in this chapter 11 case (the “**Solicitation Agent**”) by: (a) accessing the Solicitation Agent’s website at www.kccllc.net/PAL; (b) writing to the Solicitation Agent, by first-class mail to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Hwy., Ste. 300, El Segundo, CA 90245 U.S.A.; (c) calling the Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); or (d) emailing PALInfo@kccllc.com. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at www.nysb.uscourts.gov.

PLEASE TAKE FURTHER NOTICE THAT Article X of the Plan contains the following release, exculpation, and injunction provisions. You are advised and encouraged to carefully review and consider the Plan, including the release, exculpation and injunction provisions, as your rights might be affected.

Article X.10.6 of the Plan provides for a debtor release (the “Debtor Release”):³

RELEASES BY DEBTOR. Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Released Parties shall be deemed released and discharged by the Debtor, the Reorganized Debtor, and the Estate, and any person seeking to exercise the rights of the Estate, including any successors to the Debtor or any Estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code, from any and all Claims, obligations, rights, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen

³ “Released Parties” means each of, and solely in its capacity as such, (a) the Debtor or the Reorganized Debtor, (b) the DIP Lenders, (c) the DIP Agent, (d) the Bridge Lender and (e) the Related Parties for each of the foregoing, in each case only in their capacity as such.

or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that the Debtor, the Reorganized Debtor, the Estate, or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(a) shall be construed to release the Released Parties from gross negligence, willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims released thereby; (3) in the best interests of the Debtor and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.6 of the Plan provides for releases by Holders of Claims or Interests ("Third-Party Release"):

RELEASES BY HOLDERS OF CLAIMS OR INTERESTS. Notwithstanding anything contained in the Plan to the contrary, on and after the Effective Date, except for the right to enforce the Plan or any right or obligation arising under the Definitive Documents that remains in effect after the Effective Date, effective as of the Effective Date and to the fullest extent permitted by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is confirmed by this Plan, the Releasing Parties are deemed to have fully, conclusively, absolutely and irrevocably released and discharged the Released Parties from any and all Claims, obligations, rights, suits, judgments, damages, demands, debts, rights, Causes of Action, remedies, losses, and liabilities

whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtor, the Reorganized Debtor, or the Estate, whether known or unknown, asserted or unasserted, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, contingent or fixed, existing or hereinafter arising, in law, equity or otherwise, that any such Releasing Party would have been legally entitled to assert (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Estate, the conduct of the Debtor's business, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor or the Reorganized Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between the Debtor and any Released Party, the Debtor's restructuring, the restructuring of any Claim or Interest before or during the Chapter 11 Case, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the Disclosure Statement, the Restructuring Support Agreements, any Restructuring Transactions and the Plan and related agreements, instruments, and other documents (including the Definitive Documents), and the negotiation, formulation, or preparation thereof, the solicitation of votes with respect to the Plan, or any other act or omission, in all cases based upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, including, without limitation, all Avoidance Actions; provided that nothing in this Section 10.6(b) shall be construed to release the Released Parties from willful misconduct or intentional fraud as determined by a Final Order.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the foregoing release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such release is: (1) consensual; (2) essential to the confirmation of the Plan; (3) given in exchange for the good and valuable consideration provided by the Released Parties; (4) a good faith settlement and compromise of the Claims released thereby; (5) in the best interests of the Debtor and all holders of Claims and Interests; (6) fair, equitable, and reasonable; (7) given and made after due notice and opportunity for hearing; and (8) a bar to the Debtor, the Reorganized Debtor, or the Estate asserting any Claim or Cause of Action released pursuant to such release.

Article X.10.7 of the Plan provides for an exculpation (the "Exculpation"):

EXCULPATION. Notwithstanding anything herein to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party will have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, remedy, loss, and liability for any claim in connection with or arising out of the administration of the Chapter 11 Case, the negotiation, formulation, preparation, and pursuit of the Disclosure Statement, the Restructuring Support Agreements, the DIP Credit Facility Documents, the DIP Order, the Bridge Loan Documents, the

transactions relating to the Debtor's restructuring, the Plan, or the solicitation of votes for, or confirmation of, the Plan, the funding or consummation of the Plan (including the Plan Supplement), the Definitive Documents, the Restructuring Transactions, or any related agreements, instruments, or other documents, the solicitation of votes on the Plan, the offer, issuance, and Distribution of any Securities issued or to be issued pursuant to the Plan, whether or not such Distribution occurs following the Effective Date, the occurrence of the Effective Date, negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed under the Plan, except for actions determined by Final Order to constitute gross negligence, willful misconduct, or intentional fraud. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Exculpated Parties from liability. Nothing herein shall be deemed to be a release or waiver of the Reorganized Debtor's obligations under the Exit Facility Documents.

Article X.10.5 of the Plan provides for an injunction (the "Injunction"):

(a) Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan in relation to any Claim or Interest extinguished, discharged or released pursuant to the Plan.

(b) Except as expressly provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court or as agreed to by the Debtor and a holder of a Claim against or Interest in the Debtor, all Entities who have held, hold, or may hold Claims against or Interests in the Debtor (whether proof of such Claims or Interests has been filed or not and whether or not such Entities vote in favor of, against or abstain from voting on the Plan or are presumed to have accepted or deemed to have rejected the Plan) and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates are permanently enjoined, on and after the Effective Date, solely with respect to any Claims, Interests, and Causes of Action that will be or are extinguished, discharged, or released pursuant to the Plan from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) on account of or in connection with or with respect to any such Claims or Interests or against or affecting the Released Parties or the property of any of the Released Parties, (ii) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Released Parties or the property of any of the Released Parties, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Released Parties or the property of any of the Released Parties, (iv) asserting any

right of setoff, directly or indirectly, against any obligation due the Released Parties or the property of any of the Released Parties, except as contemplated or allowed by the Plan; and (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan.

(c) By accepting Distributions pursuant to the Plan, each holder of an Allowed Claim or Interest extinguished, discharged, or released pursuant to the Plan shall be deemed to have affirmatively and specifically consented to be bound by the Plan, including, without limitation, the injunctions set forth in this Section 10.5.

(d) The injunctions in this Section 10.5 shall extend to any successors of the Debtor and the Reorganized Debtor and their respective property and interests in property.

EXHIBIT 5

Cover Letter

Philippine Airlines, Inc.

PNB Financial Center, President Diosdado Macapagal Avenue,
CCP Complex, Pasay City 1300, Metro Manila, Philippines

RE: *In re Philippine Airlines, Inc.*, **Chapter 11 Case No. 21-11569 (SCC)**

TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:

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

You have received this letter and the enclosed materials because you are entitled to vote on *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (as modified, amended, or supplemented from time to time, the “**Plan**”). On [●], 2021, the Court entered an order (the “**Disclosure Statement Order**”), (a) authorizing the Debtor to solicit acceptances for the Plan; (b) approving the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the “**Disclosure Statement**”) as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (c) approving the solicitation materials and documents to be included in the solicitation packages (the “**Solicitation Package**”); and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan, and for filing objections to the Plan.

You are receiving this letter because you are entitled to vote on the Plan. Therefore, you should read this letter carefully and discuss it with your attorney. If you do not have an attorney, you may wish to consult one.

In addition to this cover letter, the enclosed materials comprise your Solicitation Package, and were approved by the Court for distribution to holders of Claims in connection with the solicitation of votes to accept the Plan. The Solicitation Package consists of the following:

- a. a copy of the Solicitation and Voting Procedures;
- b. a Ballot, together with detailed voting instructions and a return envelope;
- c. this letter;
- d. the Disclosure Statement, as approved by the Court (and exhibits thereto, including the Plan);
- e. the Disclosure Statement Order (excluding the exhibits thereto except the Solicitation and Voting Procedures);
- f. the Confirmation Hearing Notice; and
- g. such other materials as the Court may direct.

The Debtor has approved the filing of the Plan and the solicitation of votes to accept the Plan. The Debtor believes that the acceptance of the Plan is in the best interests of their estates,

holders of Claims and Interests, and all other parties in interest. Moreover, the Debtor believes that any alternative to the Confirmation of the Plan could result in extensive delays, increase administrative expenses, and a greater number of unsecured creditors, which, in turn, likely would result in smaller distributions (or no distributions) on account of Claims asserted in this chapter 11 case.

The Debtor strongly urges you to timely submit your properly executed Ballot casting a vote to accept the Plan in accordance with the instructions in your Ballot. The Voting Deadline is December 10, 2021 at 4:00 p.m., prevailing Eastern Time.

The materials in the Solicitation Package are intended to be self-explanatory. If you have any questions, however, please feel free to contact Kurtzman Carson Consultants LLC, the Solicitation Agent retained by the Debtor in this chapter 11 case (the “**Solicitation Agent**”), by: (a) calling the Debtor’s restructuring hotline at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); (b) visiting the Debtor’s restructuring website at: <http://www.kccllc.net/PAL>; and/or (c) writing to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at: <http://www.nysb.uscourts.gov>. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of solicitation materials, but may **not** advise you as to whether you should vote to accept or reject the Plan.

Regards,

Philippine Airlines, Inc.

EXHIBIT 6

Confirmation Hearing Notice

Jasmine Ball
Nick S. Kaluk, III
Elie J. Worenklein
DEBEVOISE & PLIMPTON LLP
919 Third Avenue
New York, NY 10022
Telephone: (212) 909-6000
Facsimile: (212) 909-6836

*Proposed Counsel to the Debtor and Debtor
in Possession*

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

In re:
PHILIPPINE AIRLINES, INC.,¹
Debtor.

Chapter 11
Case No. 21-11569 (SCC)

**NOTICE OF HEARING TO CONSIDER CONFIRMATION OF,
AND DEADLINE FOR OBJECTING TO, AND VOTING ON,
PHILIPPINE AIRLINES, INC.'S CHAPTER 11 PLAN OF REORGANIZATION**

PLEASE TAKE NOTICE THAT on [●], 2021, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered an order [Docket No. [●]] (the “**Disclosure Statement Order**”): (i) approving the adequacy of the Disclosure Statement; (ii) approving the solicitation materials and notices relating to the Disclosure Statement and the Plan; (iii) approving the forms of Ballots; (iv) establishing procedures for distributing the Solicitation Packages, voting on the Plan and tabulating votes; (v) scheduling a hearing regarding confirmation of the Plan; and (vi) establishing notice and objection procedures with respect to the confirmation of the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider confirmation of the Plan (the “**Confirmation Hearing**”) will commence on **December 17, 2021 at 10:00 a.m., prevailing Eastern Time** before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004.

PLEASE TAKE FURTHER NOTICE THAT the Confirmation Hearing may be continued from time to time without further notice other than by such adjournment being

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.

announced in open Court or by a notice filed on the Court's docket and served on all parties entitled to the notice.

PLEASE TAKE FURTHER NOTICE THAT the Confirmation Hearing may be continued from time to time without further notice other than by such adjournment being announced in open Court or by a notice filed on the Court's docket and served on all parties entitled to the notice.

PLEASE TAKE FURTHER NOTICE THAT the Plan may be modified, if necessary, pursuant to section 1127 of the Bankruptcy Code, before, during or as a result of the Confirmation Hearing, without further notice to interested parties.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **December 10, 2021 at 4:00 p.m., prevailing Eastern Time**. All objections to the relief sought at the Confirmation Hearing must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court and shall be filed with the Bankruptcy Court electronically in accordance with the Bankruptcy Court's *Order Implementing Certain Notice and Case Management Procedures* entered on September 30, 2021 [Docket No. 124] (the "**Case Management Order**") and served upon the following parties **so as to be actually received on or before the Plan Objection Deadline**:

- (a) counsel to the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: Jasmine Ball, Nick S. Kaluk, III, and Elie J. Worenklein. (jball@debevoise.com, nskaluk@debevoise.com, and eworenklein@debevoise.com); and
- (b) the Office of the U.S. Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York 10014, Attn: Susan A. Arbeit and Benjamin Higgins (Susan.Arbeit@usdoj.gov and Benjamin.J.Higgins@usdoj.gov); and
- (c) all other parties entitled to notice pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE THAT the date for determining which holders of Claims are entitled to vote on the Plan is the date of the Disclosure Statement Hearing (the "**Voting Record Date**").

PLEASE TAKE FURTHER NOTICE THAT the deadline for voting on the Plan is on **December 10, 2021 at 4:00 p.m., prevailing Eastern Time** (the "**Voting Deadline**"). If you received a Solicitation Package, including a Ballot and intend to vote on the Plan you must: (a) follow the instructions carefully; (b) complete all of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the voting instructions so that it is actually received by the Debtor's solicitation agent, Kurtzman Carson Consultants LLC (the "**Solicitation Agent**") on or before the Voting Deadline.

PLEASE TAKE FURTHER NOTICE THAT additional copies of the Plan, Disclosure Statement, or any other solicitation materials (except for Ballots) are available free of charge on the Debtor's case information website (<http://www.kccllc.net/PAL>) or by contacting the Debtor's Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international) or by writing the Solicitation Agent, Attn: PAL Ballot Processing Center,

c/o KCC, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245 U.S.A. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may not advise you as to whether you should vote to accept or reject the Plan. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at: <http://www.nysb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE THAT holders of (i) Unimpaired Claims and Interests and (ii) Claims and Interests that will receive no distribution under the Plan are not entitled to vote on the Plan and, therefore, will receive a notice of non-voting status rather than a Ballot. If you have not received a Ballot (or you have received a Ballot listing an amount you believe to be incorrect) or if the Solicitation and Voting Procedures otherwise state that you are not entitled to vote on the Plan, but you believe that you should be entitled to vote on the Plan (or vote an amount different than the amount listed on your Ballot), then you must serve on the Debtor and file with the Bankruptcy Court a motion pursuant to Bankruptcy Rule 3018(a) (a “**Rule 3018(a) Motion**”) for an order temporarily allowing your Claim for purposes of voting to accept or reject the Plan on or before the later of (i) **December 7, 2021 at 4:00 p.m., prevailing Eastern Time**, and (ii) the fourteenth (14th) day after the date of service of an objection, if any, to your Claim in accordance with the solicitation procedures, but in no event later than the Voting Deadline. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018(a) Motion, such creditor’s Ballot will not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes after notice and a hearing. Rule 3018(a) Motions that are not timely filed and served in the manner as set forth above may not be considered.

PLEASE TAKE FURTHER NOTICE THAT the following parties will receive a copy of this Confirmation Hearing Notice but will not receive a Solicitation Package, Ballot, or copy of the Disclosure Statement or Plan or any other similar materials or notices: (i) parties to executory contracts and unexpired leases that have not been assumed or rejected as of the Voting Record Date and who have not timely filed a proof of Claim and (ii) holders of Claims that have not been classified in the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

[Remainder of Page Intentionally Left Blank]

PLEASE TAKE FURTHER NOTICE THAT Article X of the Plan contains Debtor Release, Third-Party Release, Exculpation, and Injunction provisions. Thus, you are advised and encouraged to carefully review and consider the Plan because your rights might be affected.

Dated: _____, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

By: */s/DRAFT* _____

Jasmine Ball

Nick S. Kaluk, III

Elie J. Worenklein

919 Third Avenue

New York, NY 10022

Telephone: (212) 909-6000

Facsimile: (212) 909-6836

Email: jball@debevoise.com

nskaluk@debevoise.com

eworenklein@debevoise.com

*Proposed Counsel to the Debtor and Debtor
in Possession*

EXHIBIT 7

Assumption Notice

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

In re:

PHILIPPINE AIRLINES, INC.,¹

Debtor.

Chapter 11

Case No. 21-11569 (SCC)

**NOTICE OF (A) EXECUTORY CONTRACTS AND UNEXPIRED LEASES TO BE
ASSUMED BY THE DEBTOR PURSUANT TO THE PLAN, (B) CURE AMOUNTS, IF
ANY, AND (C) RELATED PROCEDURES IN CONNECTION THEREWITH**

PLEASE TAKE NOTICE THAT on [●], 2021, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) entered an order (the “**Disclosure Statement Order**”) [Docket No. [●]], (a) approving the *Disclosure Statement for Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code* (the “**Disclosure Statement**”) [Docket No. [●]] as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (b) authorizing Philippine Airlines, Inc. (the “**Debtor**” or “**PAL**”) to solicit acceptances for *Philippine Airlines, Inc.’s Plan of Reorganization under Chapter 11 of the Bankruptcy Code*. (as modified, amended, or supplemented from time to time, the “**Plan**”) [Docket No. [●]]; (c) approving the solicitation materials and documents to be included in the solicitation packages; and (d) approving procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.²

PLEASE TAKE FURTHER NOTICE THAT the Debtor filed the *Assumed Executory Contract and Unexpired Lease List* (the “**Assumption Schedule**”) with the Court as part of the Plan Supplement on [●], 2021, as contemplated under the Plan.

PLEASE TAKE FURTHER NOTICE THAT you are receiving this Notice because the Debtor’s records reflect that you are a party to an Executory Contract or Unexpired Lease that will be assumed pursuant to the Plan. Therefore, you are advised to review carefully the information contained in this Notice, the Assumption Schedule, and the related provisions of the Plan.

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 otherwise defined herein shall have the meanings ascribed to them in the Plan.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider confirmation of the Plan (the “**Confirmation Hearing**”) will commence on **December 17, 2021 at 10:00 a.m., prevailing Eastern Time**, before the Honorable Shelley C. Chapman, in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, New York, NY 10004.

PLEASE TAKE FURTHER NOTICE that the Debtor is proposing to assume the Executory Contract(s) and Unexpired Lease(s) listed on **Exhibit A**, attached hereto, to which you are a party.³

PLEASE TAKE FURTHER NOTICE THAT section 365(b)(1) of the Bankruptcy Code requires a chapter 11 debtor to cure, or provide adequate assurance that it will promptly cure, any defaults under executory contracts and unexpired leases at the time of assumption. Accordingly, the Debtor has conducted a thorough review of their books and records and have determined the amounts required to cure defaults, if any, under the Executory Contract(s) and Unexpired Lease(s) listed on **Exhibit A**, which amounts are listed therein. Please note that if no amount is stated for a particular Executory Contract or Unexpired Lease, the Debtor believes that there is no cure amount owing for such contract or lease.

PLEASE TAKE FURTHER NOTICE THAT any Cure Claims shall be satisfied for the purposes of section 365(b)(1) of the Bankruptcy Code, by payment in Cash, on the Effective Date or as soon as reasonably practicable thereafter, of the cure amount set forth on the Schedule of Assumed Contracts for the applicable Executory Contract or Unexpired Lease, or on such other terms as the parties to such Executory Contracts or Unexpired Leases and the Debtor or Reorganized Debtor, as applicable, may otherwise agree. Any Cure Claim shall be deemed fully satisfied, released, and discharged upon the payment of the Cure Claim. The Debtor may settle any Cure Claim without any further notice to or action, order, or approval of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT the deadline for filing objections to the Plan is **December 10, 2021 at 4:00 p.m., prevailing Eastern Time**. Any objection to the Plan **must**: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (d) be filed with the Court (contemporaneously with a proof of service) and served upon the following parties so as to be **actually received** on or before **December 10, 2021 at 4:00 p.m., prevailing Eastern Time**:

The Debtor	Counsel for the Debtor
Philippine Airlines, Inc. PNB Financial Center President Diosdado Macapagal Avenue CCP Complex, Pasay City 1300 Metro Manila, Philippines Attn: Ma. Clara C. De Castro Email: Clara_DeCastro@pal.com.ph	Debevoise & Plimpton LLP 919 Third Avenue New York, New York 10022 Attn: Jasmine Ball; Nick S. Kaluk, III; Elie J. Worenklein Email: jball@debevoise.com; nskaluk@debevoise.com;

	eworenklein@debevoise.com
U.S. Trustee	Counsel for the DIP Lenders
Office of the United States Trustee for the Southern District of New York U.S. Federal Office Building 201 Varick Street, Suite 1006 New York, New York 10014 Attn: Susan A. Arbeit	White & Case LLP 1221 Avenue of the Americas New York, NY 10020 Attention: Todd Wolynski and Andrew Zatz Email: todd.wolynski@whitecase.com and azatz@whitecase.com

PLEASE TAKE FURTHER NOTICE THAT any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be filed, served and actually received by the Debtor no later than **December 10, 2021 at 4:00 pm, prevailing Eastern Time**; provided, that, if the Debtor files an amended Schedule of Assumed Contracts (the “**Amended Schedule of Assumed Contracts**”), then, with respect to any lessor or counterparty affected by such Amended Schedule of Assumed Contracts, objections to the assumption of the relevant Executory Contract or Unexpired Lease must be filed by the earlier of (i) seven (7) days from the date the Amended Schedule of Assumed Contracts is filed and (ii) the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

PLEASE TAKE FURTHER NOTICE THAT in the event of a timely filed objection regarding (i) the amount of any Cure Claim; (ii) the ability of the Debtor or the Reorganized Debtor to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under an Executory Contract or Unexpired Lease to be assumed; or (iii) any other matter pertaining to assumption or the cure of defaults required by section 365(b)(1) of the Bankruptcy Code (each, an “**Assumption Dispute**”), such dispute shall be resolved by a Final Order of the Bankruptcy Court (which may be the Confirmation Order) or as may be agreed upon by the Debtor and the counterparty to the Executory Contract or Unexpired Lease. During the pendency of an Assumption Dispute, the applicable counterparty shall continue to perform under the applicable Executory Contract or Unexpired Lease.

PLEASE TAKE FURTHER NOTICE THAT assumption of any Executory Contract or Unexpired Lease pursuant to the Plan shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any such Executory Contract or Unexpired Lease at any time before the date that the Debtor assumes or assume and assign such Executory Contract or Unexpired Lease. Subject to the resolution of any timely objections in accordance with Article VIII of the Plan, any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE THAT if you are a holder of a claim in the Voting Class as of the Voting Record Date, you will receive a Solicitation Package in

accordance with the Solicitation Procedures. The Disclosure Statement, the Disclosure Statement Order, the Plan, and other documents and materials included in the Solicitation Package may be obtained at no charge from Kurtzman Carson Consultants LLC, the administrative agent retained by the Debtor in this chapter 11 case (the “**Solicitation Agent**”) by: (a) accessing the Solicitation Agent’s website at www.kccllc.net/PAL; (b) writing to the Solicitation Agent, by first-class mail to PAL Ballot Processing Center, c/o KCC, 222 N. Pacific Coast Hwy., Ste. 300, El Segundo, CA 90245 U.S.A.; (c) calling the Solicitation Agent at (866) 967-0671 (U.S./Canada) or +1 (310) 751-2671 (international); or (d) emailing PALInfo@kccllc.com. You may also obtain copies of any pleadings filed in this chapter 11 case for a fee via PACER at www.nysb.uscourts.gov.

Article X of the Plan contains Release, Third-Party Release, Exculpation, and Injunction Provisions. You are advised to review and consider the Plan carefully. Your rights might be affected thereunder.

This Notice is being sent to you for informational purposes only. If you have questions with respect to your rights under the Plan or about anything stated herein or you would like to obtain additional information, contact the Solicitation Agent.

PLEASE TAKE FURTHER NOTICE THAT if you have any questions about this Notice you should contact the Solicitation Agent in accordance with the instructions provided above.

Dated: _____, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

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