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:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

OMNIBUS CERTIFICATE OF NO OBJECTION

TO THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 28 U.S.C. § 1746, Rule 9075-2 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"), the undersigned counsel for the above-captioned debtor and debtor-in-possession (the "**Debtor**") hereby certifies as follows:

1. On September 3, 2021, the Debtor filed the following motions (collectively, the "**First Day Motions**"):

- **Customer Programs Motion**. *Debtor's Motion for Entry of Interim and Final Orders Authorizing (A) Debtor to Honor Prepetition Obligations to Customers and Related Third Parties and to Otherwise Continue*

[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.

Customer Programs in the Ordinary Course of Business, (B) Debtor to Honor Commercial Agreements and to Otherwise Continue Commercial Contracts in the Ordinary Course of Business, and (C) Financial Institutions to Honor and Process Checks and Transfers Related to the Relief Requested Herein [ECF No. 5].

- **Insurance Motion**. *Debtor's Motion for Entry of Interim and Final Orders Authorizing (I) the Debtor to Continue and Renew Its Liability, Property, Casualty and Other Insurance Policies and Honor all Obligations in Respect Thereof and (II) Financial Institutions to Honor and Process Related Checks and Transfers* [ECF No. 6].

- **Taxes Motion**. *Debtor's Motion for Entry of an Order (A) Authorizing, But Not Requiring, the Debtor to Remit and Pay Sales, Use and Franchise Taxes and Certain Other Government Charges and (B) Authorizing Banks and Other Financial Institutions to Receive, Process, Honor, and Pay Checks Issued and Electronic Payment Requests Made Relating to the Foregoing* [ECF No. 7].

- **Derivative Contracts Motion**. *Debtor's Motion for Interim and Final Orders for Authority to Enter Into, Continue Performance and Provide Credit Support under Hedging and Derivative Contracts* [ECF No. 9].

- **Employee Wages Motion.** *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing the Debtor to (A) Pay Certain Employee Wages and Other Compensation and Related Obligations and, (B) Maintain and Continue Employee Benefits and Programs in the Ordinary Course, and (II) Authorizing and Directing Applicable Banks to Honor all Checks and Transfers Related to Such Obligations* [ECF No. 12].

- **Cash Management Motion**. *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing Debtor to Maintain and Use Existing Cash Management Systems, Bank Accounts and Business Forms; (II) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers; (III) Waiving Compliance with Section 345 of the Bankruptcy Code; and (IV) Granting Related Relief* [ECF No. 13].

- **Critical and Foreign Vendors Motion**. *Debtor's Motion for Interim and Final Orders (I) Authorizing, But Not Directing, the Debtor to Pay Certain Prepetition Claims of Critical Vendors and Foreign Vendors and (II) Authorizing and Directing Financial Institutions to Honor and Process Related Checks and Transfers* [ECF No. 14].

- **DIP Financing Motion**. *Debtor's Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, and 364 (A) Authorizing the Debtor to Obtain Postpetition Financing; (B) Granting Liens and*

Superpriority Administrative Expense Claims; (C) Granting Adequate Protection to the Bridge Lender; (D) Modifying the Automatic Stay; (E) Scheduling a Final Hearing; and (F) Granting Related Relief [ECF No. 15].

2. On September 6, 2021, the Debtor filed the following motions (collectively, the "**RSA Motions**"):

- **RSA Motion**. *Debtor's Motion for Entry of an Order Authorizing the Debtor to Assume, and Perform Under, Restructuring Support Agreements* [ECF No. 19].

- **RSA Usage Motion**. *Debtor's Motion for Entry of an Order Authorizing the Debtor to Enter Into and Perform Under Usage Stipulations between the Debtor and Counterparties Concerning Certain Aircraft and Leases* [ECF No. 21].

- **RSA Rejection Motion**. *Debtor's Motion for Entry of an Order Authorizing the Debtor to Enter Into and Perform Under Rejection Stipulations and Super-Soft Landing Stipulations between the Debtor and Counterparties Concerning Certain Equipment Leases* [ECF No. 22].

- **Motion to File Under Seal.** *Debtor's Motion for an Order Pursuant to 11 U.S.C. § 107(B) and Fed. R. Bankr. P. 9018 Authorizing the Filing of Certain Information under Seal* [ECF No. 24].

3. On September 16, 2021, the Debtor filed the following motions (collectively, the "**Second Day Motions**"):

- **Case Management Motion**. *Debtor's Motion for Entry of Order Implementing Certain Notice and Case Management Procedures* [ECF No. 75].

- **Interim Compensation Motion.** *Debtor's Motion for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 76].

- **Utilities Motion.** *Debtor's Motion for Entry of an Order (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Utility Services, (B) Deeming Utility Providers Adequately Assured of Future Performance, (C) Establishing Procedures for Determining Adequate Assurance of Payment, and (D) Granting Related Relief* [ECF No. 77].

- **Ordinary Course of Professionals Motion**. *Debtor's Motion for Authorization to Employ and Pay Professionals Used in Ordinary Course of Business* [ECF No. 78].

4. Local Rule 9075-2 provides that a motion or application may be granted without a hearing if (a) no objections or other responsive pleadings have been filed on or before the applicable objection deadline and (b) the attorney for the entity that filed the motion or application complies with such rule.

5. The First Day Motions and notices were served on September 3, 2021, and September 7, 2021 [ECF Nos. 40 and 43], the RSA Motions and notices were served on September 6, 2021 [ECF No. 41], and the Second Day Motions and notices were served on September 16, 2021 [ECF No. 85]. The objection deadline for the First Day Motions, the RSA Motions, and the Second Day Motions was September 23, 2021, at 4:00 p.m. (Prevailing Eastern Time) (the "**Objection Deadline**").

6. As of the filing of this certificate, more than 48 hours have elapsed since the Objection Deadline and, to the best of my knowledge, no objection or other responsive pleading to the First Day Motions, RSA Motions, or the Second Day Motions has been (a) filed with the Court on the docket of the above-captioned chapter 11 case or (b) served on the Debtor or its counsel.

7. Accordingly, the Debtor respectfully requests entry of the proposed orders granting the relief requested in the First Day Motions, RSA Motions, and the Second Day Motions, annexed hereto as Exhibit A through Exhibit P (the "**Revised Proposed Orders**") at the Court's earliest convenience. If any changes have been made to a Revised Proposed Order since the original proposed final order filed with the applicable motion or application, a redline reflecting a comparison of such Revised Proposed Order to such original proposed final order

follows such Revised Proposed Order. The modifications reflected in the Revised Proposed Orders incorporate certain revisions requested by the United States Trustee and other parties in interest, as well as certain conforming and nonsubstantial changes.

8. If not entered prior to the hearing, the Debtor will seek entry of the Revised Proposed Orders at the hearing scheduled for 10:00 a.m., prevailing Eastern Time, on September 30, 2021, before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of New York, at the United States Bankruptcy Court for the Southern District of New York, One Bowling Green New York, NY 10004.[2]

[Remainder of Page Intentionally Left Blank]

[2] In light of the current COVID-19 pandemic, the hearing will be held telephonically.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: September 28, 2021
New York, New York

DEBEVOISE & PLIMPTON LLP

By: */s/ Jasmine Ball*

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 A

Revised Proposed Customer Programs Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER AUTHORIZING (A) DEBTOR TO HONOR PREPETITION OBLIGATIONS TO CUSTOMERS AND RELATED THIRD PARTIES AND TO OTHERWISE CONTINUE CUSTOMER PROGRAMS IN THE ORDINARY COURSE OF BUSINESS, (B) DEBTOR TO HONOR COMMERCIAL AGREEMENTS AND TO OTHERWISE CONTINUE COMMERCIAL CONTRACTS IN THE ORDINARY COURSE OF BUSINESS, AND (C) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of Philippine Airlines, Inc., the above-captioned debtor and debtor in possession (the "**Debtor**" or "**PAL**," and collectively with the Debtor's non-debtor affiliates, the "**Airline**") for entry of a final order (this "**Order**") authorizing, but not directing, the Debtor to continue, renew, replace, implement, or terminate the Customer Programs and Commercial Agreements, all as set forth more fully in the Motion; and the Court having 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; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to

[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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

the Notice Parties, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, the Debtor's estate, its creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby GRANTED on a final basis as set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to (a) fulfill and honor its obligations under the Customer Programs and Commercial Agreements as it deems appropriate and (b) continue, renew, replace, implement new and/or terminate any Customer Program or Commercial Agreement, in each case, in the ordinary course of business, without further application to the Court, including making all payments, satisfying all obligations, and permitting all setoffs in connection therewith, whether relating to the period prior to, on, or subsequent to the Petition Date.

3. The Debtor is authorized, but not directed, in its sole discretion, to (a) continue utilizing third parties in connection with administering and maintaining the Customer Programs as described in the Motion and to pay or caused to be paid such claims as and when such

obligations are due and (b) pay prepetition amounts owing, in each case, in the ordinary course of business to third parties in connection with administering and maintaining the Customer Programs.

4. The Debtor is authorized, but not directed, in its sole discretion, to (a) continue performing under the Commercial Agreements as described in the Motion and to pay or caused to be paid such claims as and when such obligations are due and (b) pay prepetition amounts owing in the ordinary course of business to third parties in connection with performing under the Commercial Agreements.

5. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

6. The stay imposed by section 362 of the Bankruptcy Code shall be modified at the election of the Debtor to permit the Debtor, in its sole discretion, to authorize the setoff of undisputed claims with its customers in accordance with the Customer Programs without further order of the Court.

7. The stay imposed by section 362 of the Bankruptcy Code shall be modified at the election of the Debtor to permit the Debtor, in its sole discretion, to authorize the setoff of undisputed claims with counterparties in accordance with the Commercial Agreements without further order of the Court.

8. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay any and all checks, drafts, wires, check transfer requests, or automated clearinghouse transfers evidencing amounts paid by the Debtor under this Order whether presented prior to, on or after the Petition Date to the extent the Debtor has good funds standing to its credit with banks or other financial institutions. Such banks and financial

institutions are authorized to rely on the representations of the Debtor as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtor's instructions.

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

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

11. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Customer Programs or Commercial Agreements.

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

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

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

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

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

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~——~~11569 (~~—~~SCC)
Debtor.	

FINAL ORDER AUTHORIZING (A) DEBTOR TO HONOR PREPETITION OBLIGATIONS TO CUSTOMERS AND RELATED THIRD PARTIES AND TO OTHERWISE CONTINUE CUSTOMER PROGRAMS IN THE ORDINARY COURSE OF BUSINESS, (B) DEBTOR TO HONOR COMMERCIAL AGREEMENTS AND TO OTHERWISE CONTINUE COMMERCIAL CONTRACTS IN THE ORDINARY COURSE OF BUSINESS, AND (C) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of Philippine Airlines, Inc., the above-captioned debtor and debtor in possession (the "**Debtor**" or "**PAL**," and collectively with the Debtor's non-debtor affiliates, the "**Airline**") for entry of ~~an interim order and~~ a final order (~~the~~this "**Order**") authorizing, but not directing, the Debtor to continue, renew, replace, implement, or terminate the Customer Programs and Commercial Agreements, all as set forth more fully in the Motion; and the Court having 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; and consideration of the

[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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, the Debtor's estate, its creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby GRANTED on a final basis as set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to (a) fulfill and honor its obligations under the Customer Programs and Commercial Agreements as it deems appropriate and (b) continue, renew, replace, implement new and/or terminate any Customer Program or Commercial Agreement, in each case, in the ordinary course of business, without further application to the Court, including making all payments, satisfying all obligations, and permitting all setoffs in connection therewith, whether relating to the period prior to, on, or subsequent to the Petition Date.

3. The Debtor is authorized, but not directed, in its sole discretion, to (a) continue utilizing third parties in connection with administering and maintaining the Customer Programs as described in the Motion and to pay or caused to be paid such claims as and when such obligations are due and (b) pay prepetition amounts owing, in each case, in the ordinary course of business to third parties in connection with administering and maintaining the Customer Programs.

4. The Debtor is authorized, but not directed, in its sole discretion, to (a) continue performing under the Commercial Agreements as described in the Motion and to pay or caused to be paid such claims as and when such obligations are due and (b) pay prepetition amounts owing in the ordinary course of business to third parties in connection with performing under the Commercial Agreements.

5. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

6. The stay imposed by section 362 of the Bankruptcy Code shall be modified at the election of the Debtor to permit the Debtor, in its sole discretion, to authorize the setoff of undisputed claims with its customers in accordance with the Customer Programs without further order of the Court.

7. The stay imposed by section 362 of the Bankruptcy Code shall be modified at the election of the Debtor to permit the Debtor, in its sole discretion, to authorize the setoff of undisputed claims with counterparties in accordance with the Commercial Agreements without further order of the Court.

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

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

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

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

11. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Customer Programs or Commercial Agreements.

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

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

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

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

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

Dated: ._____, 2021
New York, New York

_____.
THE HONORABLE ~~[●]~~SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Revised Proposed Insurance Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER AUTHORIZING (I) THE DEBTOR TO CONTINUE AND RENEW ITS LIABILITY, PROPERTY, CASUALTY AND OTHER INSURANCE POLICIES AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF AND (II) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for entry of a final order (this "**Order**") authorizing, but not directing, (a) the Debtor to maintain, continue, review, or purchase, in its sole discretion, its liability, property, casualty, and other insurance policies and to honor all obligations in respect thereof and (b) financial institutions to receive, honor, and process related checks and transfers, all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* M- 431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing 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 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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, the Debtor's estate, the creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby GRANTED on a final basis as set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to continue its Insurance Policies, including, but not limiting to, the Insurance Policies listed on **Exhibit C** attached to the Motion, without interruption and in accordance with the same practices and procedures as were in effect prior to the Petition Date. Further, the Debtor is, in its sole discretion, authorized, but not directed, to continue paying the Insurance Fees as they come due, including the Insurance Fees listed on **Exhibit D** attached to the Motion, without interruption and in accordance with the same practices and procedures as were in effect prior to the Petition Date.

3. The Debtor is authorized, but not directed, in its sole discretion, to pay prepetition obligations, if any, that may be owed in connection with the Insurance Policies (including Insurance Fees, Insurance Premiums, and Insurance Deductibles), whether due and payable before, on or after the Petition Date, to the extent any such obligations are owed.

4. The Debtor is authorized, but not directed, in its sole discretion, to renew or obtain new insurance policies or execute other agreements or premium financing agreements in connection with its Insurance Policies, including upon the expiration or termination of any Insurance Policy.

5. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

6. Notwithstanding anything to the contrary in this Order, payments of Insurance Policies (including Insurance Premiums, Insurance Fees, Insurance Deductibles, and Brokers' Fees) made pursuant to this Order shall only be made as they become due.

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

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

9. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or

enhance the status of any claim held by any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

10. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Insurance Policies.

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

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

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

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

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

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~——~~11569 (~~——~~SCC)
Debtor.	

FINAL ORDER AUTHORIZING (I) THE DEBTOR TO CONTINUE AND RENEW ITS LIABILITY, PROPERTY, CASUALTY AND OTHER INSURANCE POLICIES AND HONOR ALL OBLIGATIONS IN RESPECT THEREOF AND (II) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for entry of ~~an interim order and~~ a final order (this "**Order**") authorizing, but not directing, (a) the Debtor to maintain, continue, review, or purchase, in its sole discretion, its liability, property, casualty, and other insurance policies and to honor all obligations in respect thereof and (b) financial institutions to receive, honor, and process related checks and transfers, all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* M- 431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408

[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.~~ 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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, the Debtor's estate, the creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby GRANTED on a final basis as set forth herein.

2. The Debtor is~~, in its sole discretion,~~ authorized, but not directed, in its sole discretion, to continue its Insurance Policies, including, but not limiting to, the Insurance Policies listed on **Exhibit C** attached to the Motion, without interruption and in accordance with the same practices and procedures as were in effect prior to the Petition Date. Further, the Debtor is, in its sole discretion, authorized, but not directed, to continue paying the Insurance ~~fees~~Fees as they come due, including the Insurance Fees listed on **Exhibit D** attached to the Motion, without interruption and in accordance with the same practices and procedures as were in effect prior to the Petition Date.

3. The Debtor is~~, in its sole discretion,~~ authorized, but not directed, in its sole discretion, to pay prepetition obligations, if any, that may be owed in connection with the Insurance Policies (including Insurance Fees, Insurance Premiums, and Insurance Deductibles), whether due and payable before, on or after the Petition Date, to the extent any such obligations are owed.

4. The Debtor is~~, in its sole discretion,~~ authorized, but not directed, in its sole discretion, to renew or obtain new insurance policies or execute other agreements or premium financing agreements in connection with its Insurance Policies, including upon the expiration or termination of any Insurance Policy.

5. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

6. Notwithstanding anything to the contrary in this Order, payments of Insurance Policies (including Insurance Premiums, Insurance Fees, Insurance Deductibles, and Brokers' Fees) made pursuant to this Order shall only be made as they become due.

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

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

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

10. ~~9.~~ Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Insurance Policies.

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

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

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

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

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

Dated: ._____, 2021
New York, New York

THE HONORABLE ~~[●]~~SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

~~1007189524v1~~

EXHIBIT C

Revised Proposed Taxes Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING, BUT NOT REQUIRING, THE DEBTOR TO REMIT AND PAY SALES, USE AND FRANCHISE TAXES AND CERTAIN OTHER GOVERNMENT CHARGES AND (B) AUTHORIZING BANKS AND OTHER FINANCIAL INSTITUTIONS TO RECEIVE, PROCESS, HONOR, AND PAY CHECKS ISSUED AND ELECTRONIC PAYMENT REQUESTS MADE RELATING TO THE FOREGOING

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession in this case (the "**Debtor**") for entry of a final order (this "**Order**") (a) authorizing, but not requiring, the Debtor to remit and pay sales, use and franchise taxes and certain other governmental charges and (b) authorizing banks and other financial institutions to receive, process, honor, and pay checks issued and electronic payment requests made relating to the foregoing; and the Court having 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; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of

[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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

the Motion having been provided to the Notice Parties, and that no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief requested herein is in the best interests of the Debtor, its estate, the creditors and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED on a final basis as set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to pay or remit the Taxes and Fees (including Airline Taxes & Fees) to the Authorities as they come due in the ordinary course of business, without regard to whether the Taxes and Fees accrued or arose before or after the Petition Date, absent further order of the Court.

3. Nothing in this Order authorizes the Debtor to accelerate any payments not otherwise due.

4. All applicable banks and other financial institutions are authorized and directed, when requested by the Debtor, to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtor under this Order, whether presented prior to or after the Petition Date, in accordance with, and with the

protections granted in, any order approving the Debtor's use of its cash management system filed in this Chapter 11 Case.

5. The Debtor is authorized to issue postpetition checks, or to initiate postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with any Taxes and Fees.

6. Nothing contained in the Motion or this Order shall be deemed or construed as an admission as to the validity or priority of any claim or lien against the Debtor, including any Taxes and Fees, or as a waiver of the Debtor's rights to dispute any claim or lien, including any Taxes and Fees.

7. Nothing contained in the Motion or this Order shall constitute a rejection or assumption by the Debtor of any executory contract or unexpired lease, whether by virtue of reference to such contract or lease in the Motion or otherwise.

8. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any party.

9. The contents of the Motion satisfy the requirements set forth in Bankruptcy Rule 6004(a).

10. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure to the contrary, (i) the terms of this Order shall be immediately effective and enforceable upon its entry, (ii) the Debtor is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order and (iii) the Debtor may, in its discretion and without further delay, take any action and perform any

act authorized under this Order.

11. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation or enforcement of this Order.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~——~~11569 (~~——~~SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING, BUT NOT REQUIRING, THE DEBTOR TO REMIT AND PAY SALES, USE AND FRANCHISE TAXES AND CERTAIN OTHER GOVERNMENT CHARGES AND (B) AUTHORIZING BANKS AND OTHER FINANCIAL INSTITUTIONS TO RECEIVE, PROCESS, HONOR, AND PAY CHECKS ISSUED AND ELECTRONIC PAYMENT REQUESTS MADE RELATING TO THE FOREGOING

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession in this case (the "**Debtor**") for entry of ~~an interim order and~~ a final order (this "**Order**") (a) authorizing, but not requiring, the Debtor to remit and pay sales, use and franchise taxes and certain other governmental charges~~,~~ and (b) authorizing banks and other financial institutions to receive, process, honor, and pay checks issued and electronic payment requests made relating to the foregoing; and the Court having 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,

[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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

2012; and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and that no other or further notice need be provided; and ~~upon~~ the ~~statements of counsel in support of~~Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion ~~at~~on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief requested herein is in the best interests of the Debtor, its estate, the creditors and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is GRANTED on a final basis as set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to pay or remit the Taxes and Fees (including Airline Taxes & Fees) to the Authorities as they come due in the ordinary course of business, without regard to whether the Taxes and Fees accrued or arose before or after the Petition Date, absent further order of the Court.

3. Nothing in this Order authorizes the Debtor to accelerate any payments not otherwise due.

4. ~~3.~~ All applicable banks and other financial institutions are authorized and directed, when requested by the Debtor, to receive, process, honor, and pay any and all checks and transfer requests evidencing amounts paid by the Debtor under this ~~Final~~ Order, whether presented prior to or after the Petition Date, in accordance with, and with the protections granted in, any order approving the Debtor's use of its cash management system filed in this Chapter 11 Case.

5. The Debtor is authorized to issue postpetition checks, or to initiate postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of this Chapter 11 Case with respect to prepetition amounts owed in connection with any Taxes and Fees.

6. ~~4.~~ Nothing contained in the Motion or this ~~Final~~ Order shall be deemed or construed as an admission as to the validity or priority of any claim or lien against the Debtor, including any Taxes and Fees, or as a waiver of the Debtor's rights to dispute any claim or lien, including any Taxes and Fees.

7. ~~5.~~ Nothing contained in the Motion or this ~~Final~~ Order shall constitute a rejection or assumption by the Debtor of any executory contract or unexpired lease, whether by virtue of reference to such contract or lease in the Motion or otherwise.

8. ~~6.~~ Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any party.

9. ~~7.~~ The contents of the Motion satisfy the requirements set forth in Bankruptcy Rule ~~6003(b) and~~ 6004(a).

10. ~~8.~~ Notwithstanding any provision in the Federal Rules of Bankruptcy

Procedure to the contrary, (i) the terms of this ~~Final~~ Order shall be immediately effective and enforceable upon its entry, (ii) the Debtor is not subject to any stay in the implementation, enforcement or realization of the relief granted in this ~~Final~~ Order and (iii) the Debtor may, in its discretion and without further delay, take any action and perform any act authorized under this ~~Final~~ Order.

11. ~~9.~~ This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation or enforcement of this ~~Final~~ Order.

Dated: ._____, 2021
New York, New York

_____.
THE HONORABLE ~~[●]~~SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT D

Revised Proposed Derivative Contracts Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER AUTHORIZING THE DEBTOR TO ENTER INTO, CONTINUE PERFORMANCE, AND PROVIDE CREDIT SUPPORT UNDER HEDGING AND DERIVATIVE CONTRACTS

Upon consideration of the motion (the "**Motion**")[2] of the above-captioned debtor and debtor-in-possession (the "**Debtor**"), seeking entry of a final order (this "**Order**") pursuant to sections 105(a), 363, and 364(c) of the Bankruptcy Code, authorizing, but not directing, the Debtor to: (a) continue performing under its existing Derivative Contracts; (b) enter into and perform under Derivative Contracts in accordance with its ordinary business practices; and (c) provide credit support as may be necessary to implement prepetition or postpetition Derivative Contracts; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 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; and venue before this Court being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and notice of the Motion being adequate and appropriate under the circumstances; and the Court having found that adequate notice of the Motion and

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

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

opportunity for objection has been given under the circumstances, and that no other or further notice need be provided; and the Court having reviewed the Motion and the First Day Declaration and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, the creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted and approved on a final basis as set forth herein.

2. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Debtor is authorized, but not directed, in its sole discretion, to continue to perform under its prepetition Derivative Contracts and to enter into and perform under, new Derivative Contracts, in each case including rolling over, adjusting, modifying, paying option premiums, terminating, taking physical delivery of commodities, and otherwise engaging in transactions thereunder, without further order of the Court.

3. Pursuant to section 364(c) of the Bankruptcy Code, the Debtor may provide or return Credit Support and pay settlement or termination payments, each in the ordinary course of business, with respect to prepetition or postpetition Derivative Contracts, without further order of the Court.

4. All obligations of the Debtor under the Derivative Contracts and the transactions executed thereunder shall constitute allowed administrative expense claims of the non-Debtor

party under section 503(b) of the Bankruptcy Code without the need for any such party to a Derivative Contract to file a motion seeking allowance of such administrative expense claims, provided, that the Debtor shall retain the right to dispute the amount (but not the priority) of any such claim subject to the terms of the applicable the Derivative Contract.

5. The provisions of sections 362 and 553 of the Bankruptcy Code are hereby modified to the extent necessary to permit non-Debtor counterparties to Derivative Contracts to exercise and enforce any and all rights and remedies provided in the Derivative Contracts, including but not limited to the suspension of performance thereunder, the termination, liquidation, or acceleration thereof, withholding of performance thereof, and setoff, netting, and application of any payment, settlement payment, termination value, termination payment, and any other amounts any non-Debtor party to a Derivative Contract would be entitled to receive or otherwise be obligated to pay under any Derivative Contract, in each case in accordance with the terms thereof, without the need for any further Court order. In this regard, there shall be no distinction between transactions entered into prepetition and postpetition.

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

7. Nothing in this Order or any action taken by the Debtor in furtherance of the

implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtor's rights with respect to such matters are expressly reserved.

8. Other than the relief expressly granted herein, nothing contained herein shall create, nor is it intended to create, any rights in favor of any party, *provided, however*, that the entry of an order converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, shall constitute an event of default under the Derivative Contracts, to the extent not already expressly provided therein.

9. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Derivative Contracts.

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

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

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

all of the provisions of this Order are stayed, modified in a manner adverse to any non-Debtor party to a Derivative Contract, or vacated, or if this Order otherwise terminates, then such stay, modification, vacation, or termination will not affect (a) the validity of any indebtedness, obligation, or liability incurred pursuant to or arising from any transaction entered into by the Debtor pursuant to any Derivative Contract before the receipt of written notice by the non-Debtor party of the effective date of such stay, modification, vacation, or termination, (b) the validity or enforceability of the security interests, administrative claims, and netting, setoff, collection, and termination rights authorized or created hereby or pursuant to any Derivative Contract, or any related documents, or (c) the rights of the non-Debtor party to any Derivative Contract to exercise remedies as set forth in its Derivative Contract, and each such non-Debtor party shall be entitled to the benefits of the provisions of section 364(e) of the Bankruptcy Code for any credit extended pursuant to this Order.

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

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

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~———~~11569 (~~——~~SCC)
Debtor.	

FINAL ORDER AUTHORIZING THE DEBTOR TO ENTER INTO, CONTINUE PERFORMANCE, AND PROVIDE CREDIT SUPPORT UNDER HEDGING AND DERIVATIVE CONTRACTS

Upon consideration of the motion (the "**Motion**")[2] of the above-captioned debtor and debtor-in-possession (the "**Debtor**"), seeking entry of ~~an~~a final order (this "**Order**") pursuant to sections 105(a), 363, and 364(c) of the Bankruptcy Code, authorizing, but not directing, the Debtor to: (a) continue performing under its existing Derivative Contracts; (b) enter into and perform under Derivative Contracts in accordance with its ordinary business practices; and (c) provide credit support as may be necessary to implement prepetition or postpetition Derivative Contracts; and this Court having jurisdiction ~~over this matter pursuant to~~to consider the Motion and the relief requested therein in accordance with 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; and venue before this Court being proper ~~before the Court~~ pursuant to 28 U.S.C. §§ 1408 and 1409; and the consideration

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

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

of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and notice of the Motion being adequate and appropriate under the circumstances; and the Court having found that adequate notice of the Motion and opportunity for objection has been given under the circumstances, and that no other or further notice need be provided; and the Court having reviewed the Motion and the First Day Declaration and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having ~~found~~determined that the relief requested in the Motion is in the best interests of the ~~Debtor's~~Debtor, its estate, ~~its~~the creditors, and ~~other~~all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted and approved ~~as set forth herein~~ on a final basis as set forth herein.

2. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Debtor is authorized, but not directed, in its sole discretion, to continue to perform under its prepetition Derivative Contracts and to enter into and perform under, new Derivative Contracts, in each case including rolling over, adjusting, modifying, paying option premiums, terminating, taking physical delivery of commodities, and otherwise engaging in transactions thereunder, without further order of the Court.

3. Pursuant to section 364(c) of the Bankruptcy Code, the Debtor may provide or return Credit Support and pay settlement or termination payments, each in the ordinary course

of business, with respect to prepetition or postpetition Derivative Contracts, without further order of the Court.

4. All obligations of the Debtor under the Derivative Contracts and the transactions executed thereunder shall constitute allowed administrative expense claims of the non-Debtor party under section 503(b) of the Bankruptcy Code without the need for any such party to a Derivative Contract to file a motion seeking allowance of such administrative expense claims, provided, that the Debtor shall retain the right to dispute the amount (but not the priority) of any such claim subject to the terms of the applicable the Derivative Contract.

5. The provisions of sections 362 and 553 of the Bankruptcy Code are hereby modified to the extent necessary to permit non-Debtor counterparties to Derivative Contracts to exercise and enforce any and all rights and remedies provided in the Derivative Contracts, including but not limited to the suspension of performance thereunder, the termination, liquidation, or acceleration thereof, withholding of performance thereof, and setoff, netting, and application of any payment, settlement payment, termination value, termination payment, and any other amounts any non-Debtor party to a Derivative Contract would be entitled to receive or otherwise be obligated to pay under any Derivative Contract, in each case in accordance with the terms thereof, without the need for any further Court order. In this regard, there shall be no distinction between transactions entered into prepetition and postpetition.

6. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests, or automated clearinghouse transfers evidencing amounts paid by the Debtor under this Order whether presented prior to, on, or after the Petition Date to the extent the Debtor has good funds standing to its credit with banks or other financial institutions. Such banks and financial

institutions are authorized to rely on the representations of the Debtor as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtor's instructions.

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

8. Other than the relief expressly granted herein, nothing contained herein shall create, nor is it intended to create, any rights in favor of any party, *provided, however*, that the entry of an order converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, shall constitute an event of default under the Derivative Contracts, to the extent not already expressly provided therein.

9. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Derivative Contracts.

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

11. ~~10.~~ The contents of the Motion and the notice procedures set forth therein are good and sufficient notice and satisfy the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"), and no other or further notice of

the Motion or the entry of this Order shall be required.

12. ~~11.~~ Any Bankruptcy Rule (including Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective immediately and enforceable upon its entry. If any or all of the provisions of this Order are stayed, modified in a manner adverse to any non-Debtor party to a Derivative Contract, or vacated, or if this Order otherwise terminates, then such stay, modification, vacation, or termination will not affect (a) the validity of any indebtedness, obligation, or liability incurred pursuant to or arising from any transaction entered into by the Debtor pursuant to any Derivative Contract before the receipt of written notice by the non-Debtor party of the effective date of such stay, modification, vacation, or termination, (b) the validity or enforceability of the security interests, administrative claims, and netting, setoff, collection, and termination rights authorized or created hereby or pursuant to any Derivative Contract, or any related documents, or (c) the rights of the non-Debtor party to any Derivative Contract to exercise remedies as set forth in its Derivative Contract, and each such non-Debtor party shall be entitled to the benefits of the provisions of section 364(e) of the Bankruptcy Code for any credit extended pursuant to this Order.

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

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

Dated: ._____, 2021
New York, New York

THE HONORABLE [●]SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT E

Revised Proposed Employee Wages Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER (I) AUTHORIZING THE DEBTOR TO (A) PAY CERTAIN EMPLOYEE WAGES AND OTHER COMPENSATION AND RELATED OBLIGATIONS AND (B) MAINTAIN AND CONTINUE EMPLOYEE BENEFITS AND PROGRAMS IN THE ORDINARY COURSE, AND (II) AUTHORIZING AND DIRECTING APPLICABLE BANKS TO HONOR ALL CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS

Upon the Motion[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for entry of a final order (this "**Order**") (a) authorizing, but not directing, the Debtor to (i) pay accrued prepetition wages, salaries and other compensation to its employees, (ii) maintain and continue certain employee benefits and other associated obligations in the ordinary course, as described below, and (b) authorizing and directing the applicable Banks to honor all checks and transfers related to such obligations; and upon the First Day Declaration having been filed with the Court contemporaneously with the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 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; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue 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.

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

proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the relief requested in the Motion having been as provided in the Motion; and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and the Court having held a hearing to consider the relief requested in the Motion on a final basis (the "**Final 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 it appearing that the relief requested in the Motion is in the best interest of the Debtor, its estate, creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis to the extent set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to pay the Wages and Benefits and/or honor its wage and benefit obligations in accordance with its stated policies and in the ordinary course of its business, including amounts owing as of the Petition Date on account of (a) Employee Wages, (b) Unpaid Compensation, (c) Employee Deductions, (d) Payroll Taxes, (e) Reimbursable Expenses, and (f) the Employee Benefits. For the avoidance of doubt, the payment of Wages and Benefits authorized hereunder includes amounts reimbursable pursuant to the Debtor's ordinary course petty cash policies and procedures, and the Managers may continue to disburse petty cash in accordance therewith (including on account of amounts owing as of the Petition Date).

3. The Debtor is authorized, but not directed, in its sole discretion, to continue to honor the Wages and Benefits, make necessary contributions, pay any unpaid premium, claim, or amount owed in connection therewith as of the Petition Date, in accordance with the Debtor's ordinary course of business and stated policies, as set forth in the Motion.

4. To the extent the Debtor seeks to pay any Employee more than $13,650 on account of a prepetition claims that is subject to the priority cap of section 507(a)(4) of the Bankruptcy Code, the Debtor shall provide the U.S. Trustee and the DIP Lenders with at least five business days' prior notice of the proposed payment amount and Employee related information (or as much notice as is reasonably practicable under the circumstances); *provided*, that the Debtor shall not, without further order of the Court, (a) make any payment of prepetition employee obligations that are in excess of the priority cap of section 507(a)(4) of the Bankruptcy Code to any insider (as that term is defined in section 101 of the Bankruptcy Code) (a "**Statutory Insider**"), or (b) make any severance payment to any Statutory Insider.

5. The Debtor is authorized, but not directed, in its sole discretion, to modify, change, or discontinue any of the Wages and Benefits and to implement new programs, policies, and benefits in the ordinary course of business during this Chapter 11 Case in the Debtor's discretion and without the need for further approval by this Court, subject to applicable law.

6. The Debtor is authorized, but not directed, in its sole discretion, to make payments to applicable third parties for the Employee Deductions, Employee Benefits, and the Payroll Taxes, in accordance with the Debtor's ordinary course of business and stated policies, as set forth in the Motion.

7. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

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

9. The Debtor is authorized, but not directed, in its sole discretion, to reissue any check or electronic payment that originally was given in payment of any prepetition amount authorized to be paid under this Order that is not cleared by the applicable bank or financial institution.

10. Notwithstanding anything to the contrary in this Order, payments made pursuant to this Order shall only be made as they become due, and no payments shall be accelerated.

11. Any U.S. Dollar limitation in this Order shall be adjusted as necessary, to account for foreign exchange conversion costs if the payment must be made in a foreign currency.

12. Nothing in this Order should be construed as approving any transfer pursuant to 11 USC § 503(c) ("**Section 503(c)**"), and a separate motion shall be filed for any request that falls within Section 503(c), as to which the rights and defenses of the Debtor and all parties are expressly reserved. Subject to further order of the Court, no payment to any employee shall be

made to the extent that it is a transfer subject to Section 503(c). This Order does not implicitly or explicitly approve any bonus plan (besides the 13th month pay under Philippine law), incentive plan, or any other plan covered by Section 503(c).

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

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

15. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Wages and Benefits.

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

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

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

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

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

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~——~~11569 (~~——~~SCC)
Debtor.	

FINAL ORDER (I) AUTHORIZING THE DEBTOR TO (A) PAY CERTAIN EMPLOYEE WAGES AND OTHER COMPENSATION AND RELATED OBLIGATIONS AND (B) MAINTAIN AND CONTINUE EMPLOYEE BENEFITS AND PROGRAMS IN THE ORDINARY COURSE, AND (II) AUTHORIZING AND DIRECTING APPLICABLE BANKS TO HONOR ALL CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS

Upon the Motion[2] of the above-captioned debtor and debtor in possession ~~in these proceedings~~ (the "**Debtor**") for entry of a ~~Final~~final order (this "~~**Final**~~ **Order**") (a) authorizing, but not directing, the Debtor to (i) pay accrued prepetition wages, salaries and other compensation to its employees, (ii) maintain and continue certain employee benefits and other associated obligations in the ordinary course, as described below, and (b) authorizing and directing the applicable Banks to honor all checks and transfers related to such obligations; and upon the First Day Declaration having been filed with the Court contemporaneously with the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of*

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

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

Reference from the United States District Court for the Southern District of New York dated January 31, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the ~~interim~~ relief requested in the Motion having been as provided in the Motion; and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and the Court having ~~reviewed the Motion and having heard the statements in support of~~held a hearing to consider the relief requested ~~therein at a hearing before the Court (the "~~in the Motion on a final basis (the "**Final 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 it appearing that the relief requested in the Motion is in the best interest of the Debtor, its estate, creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis to the extent set forth herein.

2. The Debtor is authorized, but not directed, in its sole discretion, to pay the Wages and Benefits and/or honor its wage and benefit obligations in accordance with its stated policies and in the ordinary course of its business, including amounts owing as of the Petition Date on account of (a) Employee Wages, (b) Unpaid Compensation, (c) Employee Deductions, (d) Payroll Taxes, (e) Reimbursable Expenses, and (f) the Employee Benefits. For the avoidance of doubt, the payment of Wages and Benefits authorized hereunder

includes amounts reimbursable pursuant to the Debtor's ordinary course petty cash policies and procedures, and the Managers may continue to disburse petty cash in accordance therewith (including on account of amounts owing as of the Petition Date).

3. The Debtor is authorized, but not directed, in its sole discretion, to continue to honor the Wages and Benefits, make necessary contributions, pay any unpaid premium, claim, or amount owed in connection therewith as of the Petition Date, in accordance with the Debtor's ordinary course of business and stated policies, as set forth in the Motion.

4. To the extent the Debtor seeks to pay any Employee more than $13,650 on account of a prepetition claims that is subject to the priority cap of section 507(a)(4) of the Bankruptcy Code, the Debtor shall provide the U.S. Trustee and the DIP Lenders with at least five business days' prior notice of the proposed payment amount and Employee related information (or as much notice as is reasonably practicable under the circumstances); *provided*, that the Debtor shall not, without further order of the Court, (a) make any payment of prepetition employee obligations that are in excess of the priority cap of section 507(a)(4) of the Bankruptcy Code to any insider (as that term is defined in section 101 of the Bankruptcy Code) (a "**Statutory Insider**"), or (b) make any severance payment to any Statutory Insider.

5. The Debtor is authorized, but not directed, in its sole discretion, to modify, change, or discontinue any of the Wages and Benefits and to implement new programs, policies, and benefits in the ordinary course of business during this Chapter 11 Case in the Debtor's discretion and without the need for further approval by this Court, subject to applicable law.

6. The Debtor is authorized, but not directed, in its sole discretion, to make payments to applicable third parties for the Employee Deductions, Employee Benefits, and the Payroll Taxes, in accordance with the Debtor's ordinary course of business and stated policies, as set forth in the Motion.

7. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

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

9. The Debtor is authorized, but not directed, in its sole discretion, to reissue any check or electronic payment that originally was given in payment of any prepetition amount authorized to be paid under this ~~Final~~ Order that is not cleared by the applicable bank or financial institution.

10. Notwithstanding anything to the contrary in this Order, payments made pursuant to this Order shall only be made as they become due, and no payments shall be accelerated.

11. Any U.S. Dollar limitation in this Order shall be adjusted as necessary, to account for foreign exchange conversion costs if the payment must be made in a foreign currency.

12. Nothing in this Order should be construed as approving any transfer pursuant to 11 USC § 503(c) ("**Section 503(c)**"), and a separate motion shall be filed for any request that falls within Section 503(c), as to which the rights and defenses of the Debtor and all parties are expressly reserved. Subject to further order of the Court, no payment to any employee shall be made to the extent that it is a transfer subject to Section 503(c). This Order does not implicitly or explicitly approve any bonus plan (besides the 13th month pay under Philippine law), incentive plan, or any other plan covered by Section 503(c).

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

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

15. ~~12.~~ Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Debtor's Wages and Benefits.

16. ~~13.~~ Nothing in this Order nor the Debtor's payment of claims pursuant to this Order shall be construed as (a) an agreement or admission by the Debtor as to the validity or

priority of any claim on any grounds, (b) a waiver or impairment of any of the Debtor's rights to dispute any claims on any grounds, (c) a promise by the Debtor to pay any claim, or (d) an implication or admission by the Debtor that such claim is payable pursuant to this Order.

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

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

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

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

Dated: ._____, 2021
New York, New York

_____.
THE HONORABLE ~~[●]~~SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT F

Revised Cash Management Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

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

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

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

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

requested in the Motion on an interim basis (the "**Hearing**"); and upon the First Day Declaration and the record of the Hearing; and the Court having entered the *Interim Order Authorizing (A) Debtor to Maintain and Use Existing Cash Management Systems, Bank Accounts, and Business Forms; (B) Financial Institutions to Honor and Process Related Checks and Transfers; and (C) Granting Related Relief* [ECF No. 52] (the "**First Interim Order**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that immediate relief is necessary to avoid irreparable harm to the Debtor and its estate as contemplated by Bankruptcy Rule 6003(b) and is in the best interests of the Debtor, its estate, its creditors and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on an interim basis as set forth herein. Except as otherwise set forth herein, this Order shall supersede in all respects the First Interim Order.

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

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

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

5. Pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, administrative expense status shall be granted for all postpetition Intercompany Claims arising from Intercompany Transactions provided by non-debtor affiliates to the Debtor. In accordance with its prepetition practices, the Debtor shall maintain records of all Intercompany Transactions to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all such transactions may be readily ascertained, traced, and recorded properly.

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

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

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

9. The Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course and to receive, process, and honor and pay any and all postpetition checks, drafts, book transfers, wires, or automated clearing house transfers ("**ACH**

Transfers") drawn on the Bank Accounts by the holders or makers thereof, as the case may be to the extent the Debtor has good funds standing to its credit with such Bank.

10. Notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtor as to which checks, drafts, book transfers, wires, or ACH Transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, book transfers, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court.

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

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

13. Any payment from a Bank Account at the request of the Debtor made by a Bank prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to

settle), or any instruments issued by such Bank on behalf of the Debtor pursuant to a "midnight deadline" or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from the Bank Account prepetition.

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

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

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

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

18. To the extent any of the Debtor's Bank Accounts do not comply with section 345 of the Bankruptcy Code or any other requirements of the U.S. Trustee as of the Petition Date, the Debtor is granted until December 17, 2021, without prejudice to seek an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines or to make such other arrangements as agreed to by the U.S. Trustee.

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

20. The Debtor is authorized but not directed to continue to operate under the Merchant Services Agreements (including, without limitation, that certain Merchant Services Bankcard Agreement between Debtor Philippine Airlines, Inc. and First Data Merchant Services LLC ("**First Data**"), that certain Master Terms of Service between Debtor Philippine Airlines, Inc. and Elavon Financial Services DAC (U.K. Branch) ("**Elavon**"), and that certain processing agreement between Debtor Philippine Airlines, Inc. and American Express Travel Related Services Company, Inc. ("**American Express**" and, together with First Data and Elavon, the "**Primary Servicers**")) in the ordinary course and in a manner consistent with past practices. The Debtor is authorized to pay or reimburse the credit card processors for

obligations provided under the Merchant Service Agreements (including fees, charges, refunds, chargebacks, reserves and other amounts due and owing from the Debtor to credit card processors) ("**Merchant Services Obligations**"), whether such obligations are incurred prepetition or postpetition, and the credit card processors are authorized to receive or obtain payment for such Merchant Services Obligations, as provided under, and in the manner set forth in, the Merchant Services Agreements, including by way of recoupment or setoff without further order of the Court. The automatic stay in effect in these cases pursuant to section 362 of the Bankruptcy Code is hereby modified to the extent necessary to permit credit card processors to follow their normal recoupment, setoff, reserve, and processing procedures in respect of claims and the netting of fees, chargebacks and other amounts, in accordance with their applicable agreements with the Debtor, in each case, in the ordinary course as if no bankruptcy filing had occurred.

21. The Debtor, on one hand, and each of the Primary Servicers, on the other hand, are authorized to enter into modifications to their respective Merchant Service Agreements, including any addenda and schedules thereto, without further approval of the Court; provided that prior to entry into any such modifications, the Debtor shall provide five business days' notice to the U.S. Trustee and, if the U.S. Trustee objects to such modifications, then the Debtor shall not enter into such modifications without further order of the Court. All undisputed amounts due under the Merchant Services Agreements, as may be modified in accordance with this Order, arising on or after the Petition Date shall be allowed as administrative expense claims in the Chapter 11 Case.

22. All applicable banks and other financial institutions are hereby restricted to collect, retain, or in any other form restrain the Debtor of using any and all amounts currently

available or to be available postpetition, in the Debtor's Bank Accounts, unless specific security/guarantees have been placed before the Petition Date, in which case, said guarantees shall follow the specific ruling of this Court regarding secured creditors, if any.

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

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

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

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

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

28. The contents of the Motion and the notice procedures set forth therein are good and sufficient notice and satisfy the Bankruptcy Rules and the Local Bankruptcy Rules for the

Southern District of New York, and no other or further notice of the Motion or the entry of this Order shall be required.

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

30. A final hearing to consider the relief requested in the Motion shall be scheduled at a time to be noticed by the Debtor, subject to the Court's availability.

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

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

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

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

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

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

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

be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on an interim basis (the "**Hearing**"); and upon the First Day Declaration and the record of the Hearing; and the Court having entered the *Interim Order Authorizing (A) Debtor to Maintain and Use Existing Cash Management Systems, Bank Accounts, and Business Forms; (B) Financial Institutions to Honor and Process Related Checks and Transfers; and (C) Granting Related Relief* [ECF No. 52] (the "**First Interim Order**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that immediate relief is necessary to avoid irreparable harm to the Debtor and its estate as contemplated by Bankruptcy Rule 6003(b) and is in the best interests of the Debtor, its estate, its creditors and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on an interim basis as set forth herein. Except as otherwise set forth herein, this Order shall supersede in all respects the First Interim Order.

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

3. In accordance with its prepetition practices, the Debtor shall maintain records of all transfers within the Cash Management System to the same extent they were recorded by

the Debtor before the commencement of this Chapter 11 Case so that all transactions may be readily ascertained, traced, and recorded properly.

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

5. Pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, administrative expense status shall be granted for all postpetition Intercompany Claims arising from Intercompany Transactions provided by non-debtor affiliates to the Debtor. In accordance with its prepetition practices, the Debtor shall maintain records of all Intercompany Transactions to the same extent they were recorded by the Debtor before the commencement of this Chapter 11 Case so that all such transactions may be readily ascertained, traced, and recorded properly.

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

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

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

9. The Banks are authorized to continue to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption

and in the usual and ordinary course and to receive, process, and honor and pay any and all postpetition checks, drafts, book transfers, wires, or automated clearing house transfers ("**ACH Transfers**") drawn on the Bank Accounts by the holders or makers thereof, as the case may be to the extent the Debtor has good funds standing to its credit with such Bank.

10. Notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtor as to which checks, drafts, book transfers, wires, or ACH Transfers should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, book transfers, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court.

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

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

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

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

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

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

17. The Debtor is authorized to continue to use its correspondence and business forms, including, but not limited to, purchase orders, letterhead, envelopes, promotional

materials, and checks (collectively, the "**Business Forms**") substantially in the forms existing immediately before the Petition Date, without reference to its status as debtor in possession; *provided however*, that as soon as reasonably practicable, the Debtor will update its electronically produced checks to reflect its status as debtor in possession.

18. ~~Prior to entry of the Final Order, to~~To the extent any of the Debtor's Bank Accounts do not comply with section 345 of the Bankruptcy Code or any other requirements of the U.S. Trustee as of the Petition Date, the Debtor is granted ~~45 days~~until December 17, 2021, without prejudice to seek an additional extension, to come into compliance with section 345(b) of the Bankruptcy Code and any of the U.S. Trustee's requirements or guidelines or to make such other arrangements as agreed to by the U.S. Trustee.

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

20. ~~Subject to entry of a final order, the~~The Debtor is authorized but not directed to continue to operate under the Merchant Services Agreements (including, without limitation, that certain Merchant Services Bankcard Agreement between Debtor Philippine Airlines, Inc. and First Data Merchant Services LLC~~,~~ **("First Data"),** that certain Master Terms of Service between Debtor Philippine Airlines, Inc. and Elavon Financial Services DAC (U.K. Branch)

("**Elavon**"), and that certain processing agreement between Debtor Philippine Airlines, Inc. and American Express Travel Related Services Company, Inc. ("**American Express**" and, together with First Data and Elavon, the "**Primary Servicers**")) in the ordinary course and in a manner consistent with past practices. The Debtor is authorized to pay or reimburse the credit card processors for obligations provided under the Merchant Service Agreements (including fees, charges, refunds, chargebacks, reserves and other amounts due and owing from the Debtor to credit card processors) ("**Merchant Services Obligations**"), whether such obligations are incurred prepetition or postpetition, and the credit card processors are authorized to receive or obtain payment for such Merchant Services Obligations, as provided under, and in the manner set forth in, the Merchant Services Agreements, including by way of recoupment or setoff without further order of the Court. The automatic stay in effect in these cases pursuant to section 362 of the Bankruptcy Code is hereby modified to the extent necessary to permit credit card processors to follow their normal recoupment, setoff, reserve, and processing procedures in respect of claims and the netting of fees, chargebacks and other amounts, in accordance with their applicable agreements with the Debtor, in each case, in the ordinary course as if no bankruptcy filing had occurred.

21. The Debtor, on one hand, and each of the Primary Servicers, on the other hand, are authorized to enter into modifications to their respective Merchant Service Agreements, including any addenda and schedules thereto, without further approval of the Court; provided that prior to entry into any such modifications, the Debtor shall provide five business days' notice to the U.S. Trustee and, if the U.S. Trustee objects to such modifications, then the Debtor shall not enter into such modifications without further order of the Court. All undisputed amounts due under the Merchant Services Agreements, as may be modified in

accordance with this Order, arising on or after the Petition Date shall be allowed as administrative expense claims in the Chapter 11 Case.

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

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

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

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

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

or (d) an implication or admission by the Debtor that such claim is payable pursuant to this Order.

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

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

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

30. ~~29.~~ A final hearing to consider the relief requested in the Motion shall be ~~held on September 30, 2021, at 10:00 a.m. (Prevailing Eastern Time) and any objections or responses to the Motion shall be filed and served on the Notice Parties so as to be actually received on or prior to September 23, 2021, at 4:00 p.m. (Prevailing Eastern Time). Any objections or responses to the entry of the Final Order shall be (a) filed with the Court and (b) served upon and actually received by (i) the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Susan A. Arbeit), (ii) proposed counsel to the Debtor, Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022 (Attn: Jasmine Ball, Nick Kaluk, III, and Elie Worenklein), (iii) counsel to the DIP Lender, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Andrew Zatz) and (iv) counsel to any official committee then appointed in this Chapter 11 Case, so as to be received by 4:00 p.m. (Prevailing Eastern Time) seven days before the hearing to approve the relief requested in the Motion on a final basis (the~~

~~"**Objection Deadline**"). A reply to an objection may be filed with the Court and served on or before 12:00 p.m. (Prevailing Eastern Time) on the day that is at least two business days before the date of the applicable hearing. If no objections or responses are filed and served, this Court may enter the Final Order without further notice or hearing.~~scheduled at a time to be noticed by the Debtor, subject to the Court's availability.

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

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

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

Dated: ._____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT G

Revised Proposed Critical and Foreign Vendors Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND FOREIGN VENDORS AND (B) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for entry of a final order (this "**Order**") authorizing, but not directing, the Debtor to pay in the ordinary course of business prepetition claims of critical vendors[3] (the "**Critical Vendors**") and foreign vendors (the "**Foreign Vendors**"), all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties and no other or further notice need be provided; and the

[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 have the meanings ascribed to them in the Motion.

[3] Certain parties may receive payment on account of their prepetition claims pursuant to other motions that have been or may be filed by the Debtor. To the extent that a party receives payment on account of its prepetition claims pursuant to an order approving such motions, this Order shall not apply to such prepetition claims.

Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, its estate, its creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

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

2. Pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, the Debtor is authorized, but not directed, in the reasonable exercise of its business judgment, to pay some or all of the prepetition claims of the Critical Vendors and Foreign Vendors (the "**Vendor Claims**") in an aggregate amount not to exceed $73 million (the "**Final Vendor Cap**"); *provided* that all payments to Critical Vendors and Foreign Vendors on account of Vendor Claims shall be applied first in satisfaction of such Critical Vendors and Foreign Vendors' Twenty-Day Administrative Claims, if any; *provided further* that payments on account of Vendor Claims that are not Twenty-Day Administrative Claims shall not, in the aggregate, exceed the Final Vendor Cap.

3. The Debtor will not pay any Vendor Claim prior to the applicable due date or otherwise accelerate such payments.

4. The Debtor is authorized, but not directed, in its sole discretion, to condition payment of any Vendor Claims upon agreement by the Critical Vendor or Foreign Vendor to continue to supply goods or services to the Debtor on such Critical Vendor's or Foreign Vendor's Customary Trade Terms (as defined below) for a period following the date of the agreement or on other such terms and conditions as are acceptable to the Debtor, including, in the case of Foreign Vendors, consent to the jurisdiction of this Court. As used herein, "**Customary Trade Terms**" means, with respect to a Critical Vendor or Foreign Vendor, (a) the normal and customary trade terms, practices, and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, rebates, coupon reconciliation, and availability, and other applicable terms and programs), that were most favorable to the Debtor and in effect between such Critical Vendor or Foreign Vendor and the Debtor prior to the Petition Date or (b) such other trade terms as agreed by the Debtor and such Critical Vendor or Foreign Vendor.

5. As a further condition of receiving payment on a Vendor Claim, the Debtor is authorized, but not directed, in its sole discretion, to require that such Critical Vendor or Foreign Vendor agree to take whatever action is necessary to remove any existing trade liens at such Critical Vendor's or Foreign Vendor's sole cost and expense and waive any right to assert a trade lien on account of the paid Vendor Claim.

6. After the date hereof, the Debtor shall determine, in the ordinary course of business, which entities are Critical Vendors and Foreign Vendors by considering, among other things, (a) which suppliers are sole-source or limited-source suppliers, without which the Debtor could not continue to operate without disruption, (b) which suppliers would be prohibitively expensive to replace, (c) which suppliers present an unacceptable risk should they cease the provision of truly essential services or supplies, (d) the extent to which suppliers may be able to

obtain or have obtained trade liens on assets of the Debtor or administrative expense claims pursuant to section 503(b)(9) of the Bankruptcy Code, and (e) the extent to which suppliers are beyond the jurisdiction of this Court and can thus, notwithstanding the automatic stay, exercise remedies that would disrupt the Debtor's operations and business.

7. The Debtor shall maintain a matrix summarizing (a) the name of each Critical Vendor and Foreign Vendor paid on account of Vendor Claims, (b) the amount paid to each Critical Vendor and Foreign Vendor on account of its Vendor Claim, and (c) the goods or services provided by such Critical Vendor and Foreign Vendor. This matrix will be provided (x) biweekly until a final order granting the relief requested herein is entered and (y) monthly thereafter to the U.S. Trustee and the retained professionals of any Committee, which Committee professionals shall keep the matrix confidential on a professionals-only basis and shall not disclose any of the information in the matrix to anyone, including any member of the Committee, without prior written consent from the Debtor or further order of this Court.

8. The Debtor is authorized, but not directed, in its sole discretion, to require Critical Vendors and Foreign Vendors to enter into a Vendor Agreement when the Debtor determines that it is appropriate to do so in connection with making payments to Critical Vendors and Foreign Vendors.

9. If the Debtor, in its sole discretion, determines that a Critical Vendor or a Foreign Vendor has not complied with the terms and provisions of any Vendor Agreement or has failed to continue to provide Customary Trade Terms following the date of such agreement, or on such terms as were individually agreed to between the Debtor and such Critical Vendor or Foreign Vendor, the Debtor may terminate a Vendor Agreement, together with the other benefits to the Critical Vendor or Foreign Vendor as contained in this Order; *provided however*, that any such

Vendor Agreement may be reinstated if (a) such determination is subsequently reversed by the Court for good cause after it is shown that the determination was materially incorrect after notice and a hearing following a motion from the Critical Vendor or Foreign Vendor, (b) the underlying default under the Vendor Agreement is fully cured by the Critical Vendor or Foreign Vendor not later than five business days after the date the initial default occurred, or (c) the Debtor, in its sole discretion, reaches a subsequent agreement with the Critical Vendor or Foreign Vendor.

10. If a Vendor Agreement is terminated as set forth above, or if a Critical Vendor or Foreign Vendor that has received payment of a prepetition claim later refuses to continue to supply goods or services for the applicable period in compliance with the Vendor Agreement or this Order, then (a) the Debtor may, in its sole discretion, declare that the payment of the creditor's Vendor Claim is a voidable postpetition transfer pursuant to section 549(a) of the Bankruptcy Code that the Debtor may recover in cash or in goods from such Critical Vendor or Foreign Vendor, (b) the creditor shall immediately return such payments in respect of a Vendor Claim to the extent that the aggregate amount of such payments exceeds the postpetition obligations then outstanding without giving effect to alleged setoff rights, recoupment rights, adjustments, or offsets of any type whatsoever, and (c) the creditor's Vendor Claim shall be reinstated in such an amount so as to restore the Debtor and the Critical Vendor or Foreign Vendor to their original positions as if the Vendor Agreement had never been entered into and no payment of such Vendor Claim had been made.

11. All Vendor Agreements shall be deemed to have terminated, together with the other benefits to Critical Vendors and Foreign Vendors as contained in this Order, upon entry of an order converting the Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

12. The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

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

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

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

16. Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Critical Vendors and Foreign Vendors or the goods and services provided thereby.

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

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

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

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

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

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-~~——~~11569 (~~—~~SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTOR TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND FOREIGN VENDORS AND (B) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for entry of a final order (this "**Order**") authorizing, but not directing, the Debtor to pay in the ordinary course of business prepetition claims of critical vendors[3] (the "**Critical Vendors**") and foreign vendors (the "**Foreign Vendors**"), all as set forth more fully in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding under 28 U.S.C. § 157(b); and

[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 have the meanings ascribed to them in the Motion.

[3] Certain parties may receive payment on account of their prepetition claims pursuant to other motions that have been or may be filed by the Debtor. To the extent that a party receives payment on account of its prepetition claims pursuant to an order approving such motions, this Order shall not apply to such prepetition claims.

venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and no other or further notice need be provided; and the Court having reviewed the Motion and held a hearing to consider the relief requested in the Motion on a final basis (the "**Final Hearing**"); and upon the First Day Declaration and the record of the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having determined that the relief granted herein is in the best interests of the Debtor, its estate, its creditors, and all parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

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

2. Pursuant to sections 105(a), 363(b), and 503(b)(9) of the Bankruptcy Code, the Debtor is authorized, but not directed, in the reasonable exercise of its business judgment, to pay some or all of the prepetition claims of the Critical Vendors and Foreign Vendors (the "**Vendor Claims**") in an aggregate amount not to exceed $73 million (the "**Final Vendor Cap**"); *provided* that all payments to Critical Vendors and Foreign Vendors on account of Vendor Claims shall be applied first in satisfaction of such Critical Vendors and Foreign Vendors' Twenty-Day Administrative Claims, if any; *provided further* that payments on

account of Vendor Claims that are not Twenty-Day Administrative Claims shall not, in the aggregate, exceed the Final Vendor Cap.

3. The Debtor will not pay any Vendor Claim prior to the applicable due date or otherwise accelerate such payments.

4. ~~3.~~ The Debtor is authorized, but not directed, in its sole discretion, to condition payment of any Vendor Claims upon agreement by the Critical Vendor or Foreign Vendor to continue to supply goods or services to the Debtor on such Critical Vendor's or Foreign Vendor's Customary Trade Terms (as defined below) for a period following the date of the agreement or on other such terms and conditions as are acceptable to the Debtor, including, in the case of Foreign Vendors, consent to the jurisdiction of this Court. As used herein, "**Customary Trade Terms**" means, with respect to a Critical Vendor or Foreign Vendor, (a) the normal and customary trade terms, practices, and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, rebates, coupon reconciliation, and availability, and other applicable terms and programs), that were most favorable to the Debtor and in effect between such Critical Vendor or Foreign Vendor and the Debtor prior to the Petition Date or (b) such other trade terms as agreed by the Debtor and such Critical Vendor or Foreign Vendor.

5. ~~4.~~ As a further condition of receiving payment on a Vendor Claim, the Debtor is authorized, but not directed, in its sole discretion, to require that such Critical Vendor or Foreign Vendor agree to take whatever action is necessary to remove any existing trade liens at such Critical Vendor's or Foreign Vendor's sole cost and expense and waive any right to assert a trade lien on account of the paid Vendor Claim.

6. ~~5.~~ After the date hereof, the Debtor shall determine, in the ordinary course of business, which entities are Critical Vendors and Foreign Vendors by considering, among other things, (a) which suppliers are sole-source or limited-source suppliers, without which the Debtor could not continue to operate without disruption, (b) which suppliers would be prohibitively expensive to replace, (c) which suppliers present an unacceptable risk should they cease the provision of truly essential services or supplies, (d) the extent to which suppliers may be able to obtain or have obtained trade liens on assets of the Debtor or administrative expense claims pursuant to section 503(b)(9) of the Bankruptcy Code, and (e) the extent to which suppliers are beyond the jurisdiction of this Court and can thus, notwithstanding the automatic stay, exercise remedies that would disrupt the Debtor's operations and business.

7. ~~6.~~ The Debtor shall maintain a matrix summarizing (a) the name of each Critical Vendor and Foreign Vendor paid on account of Vendor Claims, (b) the amount paid to each Critical Vendor and Foreign Vendor on account of its Vendor Claim, and (c) the goods or services provided by such Critical Vendor and Foreign Vendor. This matrix will be provided (x) biweekly until a final order granting the relief requested herein is entered and (y) monthly thereafter to the U.S. Trustee and the retained professionals of any Committee, which Committee professionals shall keep the matrix confidential on a professionals-only basis and shall not disclose any of the information in the matrix to anyone, including any member of the Committee, without prior written consent from the Debtor or further order of this Court.

8. ~~7.~~ The Debtor is authorized, but not directed, in its sole discretion, to require Critical Vendors and Foreign Vendors to enter into a Vendor Agreement when the Debtor

determines that it is appropriate to do so in connection with making payments to Critical Vendors and Foreign Vendors.

9. ~~8.~~ If the Debtor, in its sole discretion, determines that a Critical Vendor or a Foreign Vendor has not complied with the terms and provisions of ~~the~~any Vendor Agreement or has failed to continue to provide Customary Trade Terms following the date of such agreement, or on such terms as were individually agreed to between the Debtor and such Critical Vendor or Foreign Vendor, the Debtor may terminate a Vendor Agreement, together with the other benefits to the Critical Vendor or Foreign Vendor as contained in this Order; *provided however*, that any such Vendor Agreement may be reinstated if (a) such determination is subsequently reversed by the Court for good cause after it is shown that the determination was materially incorrect after notice and a hearing following a motion from the Critical Vendor or Foreign Vendor, (b) the underlying default under the Vendor Agreement is fully cured by the Critical Vendor or Foreign Vendor not later than five business days after the date the initial default occurred, or (c) the Debtor, in its sole discretion, reaches a subsequent agreement with the Critical Vendor or Foreign Vendor.

10. ~~9.~~ If a Vendor Agreement is terminated as set forth above, or if a Critical Vendor or Foreign Vendor that has received payment of a prepetition claim later refuses to continue to supply goods or services for the applicable period in compliance with the Vendor Agreement or this Order, then (a) the Debtor may, in its sole discretion, declare that the payment of the creditor's Vendor Claim is a voidable postpetition transfer pursuant to section 549(a) of the Bankruptcy Code that the Debtor may recover in cash or in goods from such Critical Vendor or Foreign Vendor, (b) the creditor shall immediately return such payments in

respect of a Vendor Claim to the extent that the aggregate amount of such payments exceeds the postpetition obligations then outstanding without giving effect to alleged setoff rights, recoupment rights, adjustments, or offsets of any type whatsoever, and (c) the creditor's Vendor Claim shall be reinstated in such an amount so as to restore the Debtor and the Critical Vendor or Foreign Vendor to their original positions as if the Vendor Agreement had never been entered into and no payment of such Vendor Claim had been made.

11. ~~10.~~ All Vendor Agreements shall be deemed to have terminated, together with the other benefits to Critical Vendors and Foreign Vendors as contained in this Order, upon entry of an order converting the Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

12. ~~11.~~ The Debtor shall continue to maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, and recorded properly.

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

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

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

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

16. ~~15.~~ Nothing in this Order or the Motion shall be construed as prejudicing the rights of the Debtor to dispute or contest the amount of or basis for any claims against the Debtor in connection with or relating to the Critical Vendors and Foreign Vendors or the goods and services provided thereby.

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

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

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

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

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

Dated: . _____, 2021
New York, New York

_____.
THE HONORABLE ~~[●]~~SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT H

Revised Proposed DIP Financing Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING; (B) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS; (C) GRANTING ADEQUATE PROTECTION TO THE BRIDGE LENDER; (D) MODIFYING THE AUTOMATIC STAY; AND (E) GRANTING RELATED RELIEF

This matter is before the Court on the motion (the "**Motion**")[2] of Philippine Airlines Inc., the debtor in possession in these proceedings (the "**Debtor**"), requesting entry of a final order (this "**Order**") pursuant to sections 105, 361, 362, 363(b), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d), and 364(e) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 4001-2 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"):

(1) authorizing the Debtor, on the terms set forth in the DIP Loan Documents (as defined below), to obtain postpetition financing, consisting of the DIP Facility (as defined below) in an aggregate principal amount of up to $505 million (the "**DIP Commitments**") comprising (a) a first lien secured Tranche A multi-draw term loan

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

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the DIP Credit Agreement (as defined herein) attached to this Order as **Annex A** or, if not defined in the DIP Credit Agreement, in the Motion.

facility (the "**Tranche A DIP Facility**") in an aggregate principal amount of $250 million (each individual loan made thereunder, a "**Tranche A DIP Loan**," collectively the loans made thereunder, the "**Tranche A DIP Loans**," and, together with related obligations incurred under the Tranche A DIP Facility, the "**Tranche A DIP Obligations**"), $20 million of which has been drawn before entry of this Order and the remainder of which will be available in a single draw upon entry of this Order, from Buona Sorte Holdings, Inc. (the "**Initial Tranche A DIP Lender**," and together with all successors and permitted assigns, the "**Tranche A DIP Lenders**"); and (b) a second lien secured Tranche B multi-draw term loan facility (the "**Tranche B DIP Facility**" and, together with the Tranche A DIP Facility, the "**DIP Facility**") in an aggregate principal amount of $255 million (each individual loan made thereunder, a "**Tranche B DIP Loan**," collectively the loans made thereunder, the "**Tranche B DIP Loans**," and, together with related obligations incurred under the Tranche B DIP Facility, the "**Tranche B DIP Obligations**"; the Tranche B DIP Loans, collectively with the Tranche A DIP Loans, are the **"DIP Loans**"), which shall be available in no more than two draws upon entry of this Order, from PAL Holdings Inc. (the "**Initial Tranche B DIP Lender**," and together with all successors and permitted assigns, the "**Tranche B DIP Lenders**"; the Initial Tranche A DIP Lender and the Initial Tranche B DIP Lender are, together, the "**Initial DIP Lenders**" and, together with all successors and permitted assigns, the "**DIP Lenders**");[3] in each

[3] For the avoidance of doubt, (a) nothing herein shall preclude the ability of the DIP Lenders to, in accordance with the applicable DIP Loan Documents, offer a portion of the DIP Commitments and DIP Loans to third-party capital providers and other financial institutions or other entities, it being understood that no such assignment or transfer shall become effective with respect to any portion of the DIP Commitments until the Closing Date (as defined in the DIP Credit Agreement); and (b) thereafter, assignments and participations of DIP Loans and DIP Commitments shall be in accordance with the DIP Loan Documents.

case subject to the satisfaction of the conditions precedent set forth in the DIP Credit Agreement; for which Buona Sorte Holdings, Inc. shall serve as administrative and collateral agent (in such capacities, together with its successors in such capacities, the "**DIP Agent**," and the DIP Agent, together with the DIP Lenders, are the "**DIP Secured Parties**" and each is a "**DIP Secured Party**");

(2) authorizing the Debtor to execute and deliver additional documentation consistent with the terms of (or as may be required by) the DIP Credit Agreement substantially in the form attached hereto as **Annex A** without exhibits or schedules (as such agreement may be amended, in accordance with its terms and this Order, and including the exhibits and schedules thereto, the "**DIP Credit Agreement**") and the other DIP Loan Documents, and to perform such other and further acts as may be necessary or appropriate in connection therewith, or otherwise required under the DIP Loan Documents;

(3) authorizing the Debtor to use proceeds of the DIP Loans (the "**DIP Loan Proceeds**") as permitted in the DIP Loan Documents and in accordance with this Order and the Approved Budget (as defined herein), including, upon entry of this Order, to pay in full and refinance all Bridge Loan Obligations (as defined below);

(4) granting valid, binding, continuing, enforceable, and automatically perfected (a) security interests in and liens on all of the Collateral (as defined in the DIP Credit Agreement, and referred to herein as the "**DIP Collateral**") to the DIP Agent for the benefit of the DIP Secured Parties, and (b) granting superpriority administrative expense status to the DIP Obligations (as defined below), in each case subject to the

Carve Out (as defined below) and, in the case of the Tranche B DIP Obligations, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims;

(5) authorizing the Debtor to pay the principal, interest, fees, expenses, disbursements, and other amounts payable under the DIP Loan Documents as and when such amounts become due and payable without other or further notice or order;

(6) authorizing the Debtor to use, on the terms described herein, the Bridge Loan Collateral (as defined herein) and providing adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral;

(7) vacating and modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Order and the other DIP Loan Documents;

(8) waiving the Debtor's ability to surcharge against any DIP Collateral pursuant to section 506(c) of the Bankruptcy Code and any right of the Debtor under the "equities of the case" exception in section 552(b) of the Bankruptcy Code;

(9) waiving any applicable stay with respect to the effectiveness and enforceability of this Order (including under Bankruptcy Rule 6004); and

(10) granting the Debtor such other and further relief as is just and proper.

The Court having held an interim hearing on September 9, 2021 (the "**Interim Hearing**") and entered an interim order (ECF No. 58) (the "**Interim Order**") that, among other things, scheduled a final hearing on September 30, 2021 (the "**Final Hearing**") to consider entry of this Order and grant the relief sought in the Motion on a final basis, as set forth in the Motion and the DIP Loan Documents; and upon consideration of (a) the Motion and the exhibits attached thereto, (b) the First Day Declaration and the Walker Declaration, (c) the evidentiary record, as

well as the arguments and statements of counsel, made at the Interim Hearing and the Final Hearing, and (d) all other matters brought to the Court's attention at the Interim Hearing and the Final Hearing; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate, creditors, stakeholders, and all other parties-in-interest, and essential for the continued operation of the Debtor's business and the preservation of the value of the Debtor's assets and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND DETERMINES:[4]

A. Petition Date. On September 3, 2021 (the "**Petition Date**"), the Debtor filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code and is continuing to operate its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this case.

B. Jurisdiction; Core Proceeding. This Court has jurisdiction over this Chapter 11 Case, the Motion, this Order, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a "core" proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Need for Postpetition Financing. An ongoing need exists for the Debtor to obtain the DIP Loans in order to permit, among other things, the Debtor to meet its obligations arising during the Debtor's Chapter 11 Case, including the administration of the Debtor's Chapter 11 Case, so as to maximize the value of its business and assets as debtor in possession under chapter

[4] To the extent any findings of fact constitute conclusions of law, they are adopted as such, and vice versa.

11 of the Bankruptcy Code. The Debtor does not have sufficient available sources of working capital to operate its business without access to the DIP Facility, and its existing liquidity is deteriorating at a rate that requires access to the DIP Loan Proceeds. The Debtor's ability to preserve and maintain its assets, to pay employees, and to otherwise fund operations and an orderly reorganization process, is essential to the Debtor's viability and preservation of the going-concern value of its business and the value of its assets. Without access to the DIP Facility, the Debtor's estate would suffer immediate and irreparable harm.

D. Proposed DIP Facility. The Debtor has requested that the DIP Lenders establish the DIP Facility pursuant to which the Debtor may obtain DIP Loans from time to time in accordance with the DIP Loan Documents, with all DIP Loans to be secured by DIP Liens upon the DIP Collateral as described below, and all DIP Loans and obligations of the Debtor contemplated by the DIP Loan Documents to be granted superpriority administrative expense claims, as and to the extent set forth in the DIP Loan Documents. The DIP Lenders are willing to establish the DIP Facility upon the terms and conditions set forth in the DIP Loan Documents.

E. No Credit Available on More Favorable Terms. Despite diligent efforts and a sufficient marketing process, the Debtor has been unable to obtain postpetition financing on terms more favorable than those offered by the DIP Lenders under the DIP Loan Documents. The Debtor is unable to obtain adequate unsecured credit under section 503(b)(1) of the Bankruptcy Code. The Debtor also is unable to obtain secured credit allowable under section 364 of the Bankruptcy Code without granting the DIP Liens and the DIP Superpriority Claims (each, as defined below) under sections 364(c) and 364(d) of the Bankruptcy Code on the terms and conditions set forth in this Order and the DIP Loan Documents. Further, the DIP Facility provides additional benefits to the Debtor, including the Tranche A DIP Lenders' agreement to

grant the Debtor the option to convert the Tranche A DIP Obligations (other than payment of professional fees and expenses) to unsecured loans and the Tranche B DIP Lenders' agreement to grant the Debtor the option to convert the Tranche B DIP Obligations (other than payment of professional fees and expenses) to 79.5% of the common equity of the reorganized Debtor, in each case on the terms set forth in the DIP Loan Documents and pursuant to an Acceptable Plan.

F. Approved Budget. The Debtor has delivered to the DIP Agent a 13-week cash flow forecast of receipts and disbursements for the period from the Closing Date (as defined in the DIP Credit Agreement), attached to this Order as **Annex B** (the "**Approved Budget**"), which Approved Budget is reasonably acceptable to the DIP Lenders in accordance with the DIP Loan Documents. The DIP Secured Parties are relying upon the Approved Budget in entering into the DIP Loan Documents.

G. Certain Conditions to DIP Facility. The DIP Lenders' willingness to make the DIP Loans is conditioned upon, among other things, (a) the Debtor obtaining Court approval to enter into the DIP Loan Documents and to incur all of its obligations thereunder, and to confer upon the DIP Secured Parties all rights, powers, and remedies thereunder and (b) the DIP Secured Parties being granted, as security for the prompt payment of the obligations under the DIP Facility and all other DIP Obligations, perfected security interests in and liens upon the DIP Collateral, and that such perfected security interests and liens have the priorities set forth herein.

H. Service of Motion and Notice of Final Hearing. The affidavit and declaration of service on file with the Court (ECF No. 40) demonstrate that the Debtor has served copies of the Motion (together with the copies of the proposed DIP Credit Agreement and Approved Budget annexed hereto as **Annexes A & B**, respectively), and notice of the Final Hearing by electronic mail, telecopy transmission, hand delivery, overnight courier, or first class United States mail

upon (a) the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Susan A. Arbeit); (b) counsel to any official committee of unsecured creditors (the "Creditors' Committee"); (c) holders of the 30 largest unsecured claims against the Debtor; (d) the parties to the RSAs; (e) the Debtor's existing lienholders; (f) the Internal Revenue Service; (g) the United States Attorney's Office for the Southern District of New York; (h) the Federal Aviation Administration; (i) the Initial DIP Lenders and their counsel, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Andrew Zatz and Todd Wolynski); and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Court finds that the foregoing notice of the Motion, as it relates to this Order and the Final Hearing, is appropriate, due, and sufficient for all purposes under the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, including sections 102(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 4001(c), and that no further notice of the relief sought at the Final Hearing and the relief granted herein is necessary or required.

I. Debtor's Stipulations. After consultation with its attorneys and financial advisors, and without prejudice to the rights of parties in interest as set forth in paragraph 14 herein, the Debtor, on its behalf and on behalf of its estate, admits, stipulates, acknowledges, and agrees as follows (subparagraphs I(a) through I(e) below are referred to herein, collectively, as the "**Debtor's Stipulations**"):

(a) *Bridge Loan Facilities*. Pursuant to those certain Loan Agreements, dated as of February 10, 2021 (the "**First Bridge Loan Agreement**"), May 27, 2021 (the "**Second Bridge Loan Agreement**"), and August 19, 2021 (the "**Third Bridge Loan Agreement**") respectively (each as amended, restated, or otherwise modified from time to time, the "**Bridge Loan Agreements**," and collectively with any other agreements and

documents executed or delivered in connection therewith, each as may be amended, restated, or otherwise modified from time to time, the "**Bridge Loan Documents**"), between the Debtor and Buona Sorte Holdings, Inc., a corporation duly organized and existing under the laws of the Republic of the Philippines, as lender thereunder (the "**Bridge Lender**"), the Bridge Lender provided certain term loans to the Debtor (the "**Bridge Loans**" and, collectively with all accrued and unpaid interest thereon, all other Secured Obligations (as defined in the Bridge Loan Agreements), and all fees, costs, and other charges due and payable under the Bridge Loan Documents, the "**Bridge Loan Obligations**").

(b) *Bridge Loans*. Pursuant to the Bridge Loan Agreements, the Bridge Lender provided credit facilities (the "**Bridge Loan Facilities**") to the Debtor in an aggregate principal amount of $100 million, comprised of (i) $60 million pursuant to the First Bridge Loan Agreement, (ii) $25 million pursuant to the Second Bridge Loan Agreement, and (iii) $15 million pursuant to the Third Bridge Loan Agreement. The Bridge Loan Facilities provided the Debtor with the necessary liquidity and runway to prepare for an organized bankruptcy filing and negotiate Restructuring Support Agreements with numerous lenders and lessors regarding the Debtor's go-forward aircraft leases, long-term loans, and optimized fleet leasing strategy in accordance with the Debtor's revised business plan.

(c) *Bridge Loan Liens and Bridge Loan Collateral*. As more fully set forth in the Bridge Loan Documents, prior to the Petition Date, the Debtor granted to the Bridge Lender a first priority security interest in and a continuing lien on (the "**Bridge Loan Liens**") each of the Aircraft, Engines, and Spare Engines (each as defined in the Bridge

Loan Agreements, collectively, the "**Bridge Loan Collateral**"), subject only to any Prior Liens (as defined below).

(d) *Validity, Perfection, and Priority of Bridge Loan Obligations and Bridge Loan Liens.* The Debtor acknowledges and agrees that, as of the Petition Date, (i) the Bridge Loan Liens on the Bridge Loan Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Bridge Lender for fair consideration and reasonably equivalent value; (ii) the Bridge Loan Liens were senior in priority over any and all other liens on the Bridge Loan Collateral, subject only to liens senior by operation of law (solely to the extent any such liens were valid, properly perfected, non-avoidable, and senior in priority to the Bridge Loan Liens as of the Petition Date, the "**Prior Liens**"); (iii) the Bridge Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtor enforceable in accordance with the terms of the applicable Bridge Loan Documents; (iv) no offsets, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Bridge Loan Liens or Bridge Loan Obligations exist, and no portion of the Bridge Loan Liens or Bridge Loan Obligations are subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (v) the Debtor and its estate have no claims, objections, challenges, causes of action, and/or choses in action, including avoidance actions under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against the Bridge Lender, or any of its respective affiliates, agents, attorneys, advisors, professionals, officers, directors, or employees arising out of, based upon, or related to the Bridge Loan

Facilities; (vi) the Debtor has waived, discharged, and released any right to challenge any of the Bridge Loan Obligations, the priority of the Debtor's obligations thereunder, or the validity, extent, and priority of the Bridge Loan Liens; and (vii) the Bridge Loan Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(e) Non-Controlling Party. The Bridge Lender shall not be deemed to be in control of the operations of the Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtor.

J. Prior Liens. Nothing herein shall constitute a finding or ruling by this Court that any alleged Prior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including the Debtor, the DIP Agent, the Bridge Lender, or a Committee (if appointed), to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Prior Lien. The right of a seller of goods to reclaim such goods under section 546(c) of the Bankruptcy Code is not a Prior Lien; rather, any such alleged claim arising or asserted as a right of reclamation (whether asserted under section 546(c) of the Bankruptcy Code or otherwise) shall have the same rights and priority with respect to the DIP Liens (as defined below) as such claim had with the Bridge Loan Liens.

K. Finding of Good Cause. Good cause has been shown for the entry of this Order and authorization for: (a) the DIP Lenders to provide the Debtor with the DIP Loans and (b) the Debtor to accept, incur, and undertake the DIP Obligations pursuant to the DIP Loan Documents as provided herein. The Debtor's need for financing of the type afforded by the DIP Loan Documents is critical. Entry of this Order will preserve the value of the assets of the Debtor's

estate and is in the best interests of the Debtor, its creditors and its estate. The terms of the DIP Facility are fair and reasonable, including the interest rates and fees owed thereunder, reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

L. Finding of Good Faith. Based upon the record presented at the Final Hearing, the DIP Facility has been negotiated in good faith and at arm's length between the Debtor, on the one hand, and the DIP Secured Parties, on the other. All of the DIP Obligations, including all DIP Loans made pursuant to the DIP Loan Documents and all other liabilities and obligations of the Debtor under this Order, owing to the DIP Secured Parties shall be deemed to have been extended by the DIP Secured Parties in "good faith," as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code. The DIP Secured Parties shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

M. No Liability to Third Parties. The Debtor stipulates and the Court finds that in making decisions to advance loans to the Debtor, in administering any DIP Loans, in accepting the Approved Budget, or in taking any other actions permitted by this Order or the DIP Loan Documents in their respective capacities as DIP Lenders or DIP Agent, none of the DIP Secured Parties shall be deemed to be in control of the operations of the Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtor.

N. No Claims or Causes of Action. There exist no claims or causes of action against any of the DIP Agent, the other DIP Secured Parties or the Bridge Lender with respect to, in

connection with, related to, or arising from the DIP Loan Documents; or the DIP Facility that may be asserted by the DIP Secured Parties, the Debtor, the Bridge Lender or any other person or entity.

O. Adequate Protection. The Bridge Lender is entitled to receive adequate protection to the extent of any diminution in value of its interests in the Bridge Loan Collateral as set forth in this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDICATED AND DECREED as follows:

1. Grant of Motion; Authorization of Final Financing; Use of Proceeds.

(a) The Motion is hereby granted as and to the extent provided herein, and the Court hereby authorizes and approves the Debtor's execution and delivery of the DIP Loan Documents, and the Debtor's execution and delivery of all instruments, security agreements, assignments, pledges, mortgages, reaffirmations, and other documents referred to therein or reasonably requested by the DIP Secured Parties to give effect to the terms thereof and as will be drafted and executed as contemplated therein, in each case, in final form and substance consistent with this Order and otherwise reasonably acceptable to the DIP Secured Parties (collectively, this Order, the DIP Credit Agreement, the Collateral Documents, the Approved Budget, and any other document delivered to any DIP Secured Party in connection with any of the foregoing, in each case, as the same may be amended, restated, or otherwise modified from time to time in accordance with the terms of this Order and the DIP Credit Agreement, are referred to herein as the "**DIP Loan Documents**").

(b) The Debtor is hereby authorized to borrow under the DIP Loan Documents and this Order up to an aggregate principal amount of $505,000,000 (inclusive of amounts previously borrowed), subject to any conditions and limitations on

availability in the DIP Loan Documents, plus all interest, fees, and other charges payable in connection with the DIP Loans as provided in the DIP Credit Agreement and other DIP Loan Documents; to incur any and all liabilities and obligations under the DIP Loan Documents; to pay all principal, interest, fees, expenses, and other obligations provided for under the Approved Budget and the other DIP Loan Documents, including the obligations under the DIP Loan Documents to indemnify the Indemnitees (as defined in the DIP Credit Agreement); and to pay in full and refinance all Bridge Loan Obligations with the proceeds of Tranche A DIP Loans.

(c) No DIP Secured Party shall have any obligation or responsibility to monitor the use of the DIP Loans, and each DIP Secured Party may rely upon the Debtor's representations that the amount of the DIP Loans requested at any time, and the use thereof, are in accordance with the requirements of this Order, the Approved Budget, the DIP Loan Documents, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

(d) The Debtor may obtain and use the DIP Loan Proceeds only as permitted under the DIP Loan Documents. For the avoidance of doubt, no DIP Loan Proceeds may be used to make any payment in settlement or satisfaction of any prepetition claim (other than the Bridge Loan Obligations) or administrative claim (other than the DIP Obligations or the Adequate Protection Superpriority Claims (as defined below)), unless such payment is (x) in compliance with the Approved Budget or (y) separately approved or authorized by the Court upon notice to the DIP Agent.

2. Entry into, Execution, Delivery, and Performance of DIP Loan Documents. The Debtor is hereby authorized (to the extent not already accomplished) (a) to enter into the DIP Credit Agreement and the other DIP Loan Documents, (b) to incur and perform the DIP Obligations arising from and after the date of this Order under the DIP Facility, (c) to repay amounts borrowed, together with interest, and (d) to pay all fees, costs, and expenses contemplated therein, as well as any other outstanding DIP Obligations to the DIP Secured Parties, in each case in accordance with and subject to the terms and conditions set forth in this Order, the other DIP Loan Documents, and such additional documents, instruments, and agreements as may reasonably be required by the DIP Secured Parties to implement the terms or effectuate the purpose of and transactions contemplated by the DIP Loan Documents, the terms of which are incorporated by reference. The DIP Loan Documents may be executed and delivered on behalf of the Debtor by any officer, director, or agent of the Debtor, who by signing shall be deemed to represent himself or herself to be duly authorized and empowered to execute such DIP Loan Documents for and on behalf of the Debtor; the DIP Secured Parties shall be authorized to rely upon any such person's execution and delivery of any of the DIP Loan Documents as having done so with all requisite power and authority to do so; and the execution and delivery of any of the DIP Loan Documents by any such person on behalf of the Debtor shall be conclusively presumed to have been duly authorized by all necessary corporate action of the Debtor. Upon execution and delivery thereof, each of the DIP Loan Documents shall constitute valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with its terms for all purposes during its Chapter 11 Case, any subsequently converted case of the Debtor under chapter 7 of the Bankruptcy Code (a "**Successor Case**"), and after the dismissal of any Chapter 11 Case. Subject to the provisions of paragraph 14, no obligation, payment, or

transfer under the DIP Loan Documents, the Interim Order, or this Order (including in connection with any adequate protection provided to the Bridge Lender) shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law (including under sections 502(d), 544, 547, 548, 549, or 550 of the Bankruptcy Code or under any applicable Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act, or similar statute or common law), or subject to any defense, reduction, setoff, recoupment, or counterclaim.

3. DIP Liens. As security for the Debtor's payment and performance under the DIP Loan Documents, all principal, interest, costs, expenses, fees, and other charges at any time payable by the Debtor to the DIP Secured Parties in connection with the DIP Loan Documents, all reimbursement obligations, and all other indebtedness and obligations contemplated under any of the DIP Loan Documents (all of the foregoing being collectively called the "**DIP Obligations**"), the DIP Agent, for itself and for the benefit of the DIP Lenders, is hereby granted (effective and perfected when the Interim Order was entered, and ratified and continuing with this Order, and without the necessity of the execution, filing, or recording by the Debtor or the DIP Agent of security agreements, pledge agreements, mortgages, financing statements, or other agreements) the following valid, binding, enforceable, non-avoidable, and automatically and properly perfected security interests in and liens upon all of the DIP Collateral (collectively, the "**DIP Liens**") in the priorities set forth in subparagraphs (a) and (b) below, each of which shall be subject to the Carve Out:

(a) Tranche A DIP Liens. (i) First priority liens pursuant to section 364(c)(2) of the Bankruptcy Code on all DIP Collateral that was not encumbered by Bridge Loan Liens or Permitted Senior Liens (as defined below), and (ii) to the extent any DIP Collateral is subject to

any (x) Bridge Loan Liens, (y) Prior Liens or (z) liens perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (the foregoing clauses (y) and (z) being referred to collectively as the "**Permitted Senior Liens**"), senior liens, pursuant to section 364(d) of the Bankruptcy Code, on such DIP Collateral subject and subordinate only to Permitted Senior Liens (clauses (i) and (ii) together, the "**Tranche A DIP Liens**").

(b) Tranche B DIP Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, junior liens on all of the DIP Collateral subject and subordinate to any Permitted Senior Liens, the Tranche A DIP Liens, the Bridge Loan Liens, and the Adequate Protection Liens (the "**Tranche B DIP Liens**").

(c) Liens Senior to Certain Other Liens. The DIP Liens shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtor or the Debtor's estate under section 551 of the Bankruptcy Code, (B) except to the extent the DIP Loan Documents expressly allow a postpetition lien to have priority over the DIP Liens, any postpetition liens granted by the Debtor to other persons or entities or otherwise arising after the Petition Date, including any liens or security interests granted in favor of any federal, state, municipal, or other governmental unit, commission, board, or court for any liability of the Debtor, or (C) any intercompany or affiliate liens or security interests against the Debtor; (ii) subordinated to or made *pari passu* with any other lien or security interest on the DIP Collateral under section 363 or 364 of the Bankruptcy Code; or (iii) subject to sections 510(c), 549, or 550 of the Bankruptcy Code. In no event shall any person or entity who pays (or, through the extension of credit to the Debtor, causes to be paid) any of the DIP Obligations be subrogated, in whole or in part, to any rights, remedies, claims, privileges, liens, or priorities granted to or in favor of, or conferred upon, any DIP Secured Party by the terms of any DIP

Loan Documents or this Order unless such person or entity contemporaneously causes payment in full of all of the DIP Obligations.

(d) Right to Challenging Competing Liens. The DIP Agent (at the direction of the DIP Lenders in accordance with the terms of the DIP Credit Agreement) shall have the right to challenge the validity, priority, perfection, extent, or amount of any lien or security interest filed against the Debtor that relates to DIP Collateral that purports to be senior to any DIP Lien, including any lien or security interest that, if found to be valid, enforceable, non-revocable, and perfected, would constitute a Prior Lien.

(e) Solely for the purposes of this Order, notwithstanding anything to the contrary herein or in the DIP Loan Documents, DIP Collateral shall not include any of the Debtor's (i) leasehold interests in equipment (aircraft, engines, flight simulators, or other equipment) leases or the equipment leased thereunder or (ii) equipment subject to financing arrangements (whether through secured loans, finance leases, or otherwise) and interests in the underlying financing agreements, in each case to the extent that the relevant lease or financing agreement prohibits or conditions the grant of a lien or the assignment of the lease or other financing agreement upon the consent of a non-debtor counterparty to the extent such consent (A) is not actually obtained (after the use of commercially reasonable efforts to obtain such consent) and (B) is required under applicable law to grant the applicable security interest.

4. Superpriority Claims.

(a) Allowed Claims. All DIP Obligations shall at all times constitute superpriority administrative expense claims against the Debtor (the "**DIP Superpriority Claims**") that will, in accordance with section 364(c)(1) of the Bankruptcy Code, have priority over any and all administrative expenses of and unsecured claims against the Debtor now

existing or hereafter arising, of any kind or nature whatsoever, including all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c), 726, and 1114 of the Bankruptcy Code (including those resulting from the conversion of the Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code), subject only to the Carve Out and, with respect to the DIP Superpriority Claims arising under the Tranche B Facility, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims. The DIP Superpriority Claims shall survive any conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case. Subject only to the Carve Out, and, with respect to the DIP Superpriority Claims arising under the Tranche B Facility, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims, the DIP Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtor and its estate (excluding Avoidance Actions but including Avoidance Proceeds (as such terms are defined below)).

(b) Proceeds of Avoidance Actions. The DIP Superpriority Claims shall have recourse to all proceeds (the "**Avoidance Proceeds**") of all of the Debtor's claims and causes of action pursuant to sections 502(d), 544, 545, 547, 548, 549, 551, 553(b), 732(2), or 742(2) of the Bankruptcy Code (the "**Avoidance Actions**"), including all of the Debtor's claims and causes of actions pursuant to section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral or postpetition transfer of DIP Loan Proceeds.

5. Adequate Protection Liens.

(a) Pursuant to Sections 361 and 363(e) of the Bankruptcy Code, as adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral, the Bridge Lender is hereby granted continuing valid, binding, enforceable, and

perfected postpetition security interests in and liens on the DIP Collateral (the "**Adequate Protection Liens**"), subject to the Carve Out, the Permitted Senior Liens, the Tranche A DIP Liens, and the Bridge Loan Liens.

(b) The Adequate Protection Liens, which became effective upon the entry of the Interim Order, and are ratified and continuing under this Order, shall not at any time be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtor or the Debtor's estate under section 551 of the Bankruptcy Code, (B) except to the extent of the DIP Liens and that the DIP Loan Documents expressly allow a postpetition lien to have priority over the DIP Liens, any postpetition liens granted by the Debtor to other persons or entities or otherwise arising after the Petition Date, including any liens or security interests granted in favor of any federal, state, municipal, or other governmental unit, commission, board, or court for any liability of the Debtor, (C) any intercompany or affiliate liens or security interests against the Debtor, or (D) the Tranche B DIP Liens; (ii) subordinated to or made *pari passu* with any other lien or security interest on the DIP Collateral under section 363 or 364 of the Bankruptcy Code except as set forth herein; or (iii) subject to sections 510(c), 549, or 550 of the Bankruptcy Code. In no event shall any person or entity who pays (or, through the extension of credit to the Debtor, causes to be paid) any of the Bridge Loan Obligations be subrogated, in whole or in part, to any rights, remedies, claims, privileges, liens, or priorities granted to or in favor of, or conferred upon, the Bridge Lender by this Interim Order unless such person or entity contemporaneously causes payment in full of all of the Bridge Loan Obligations.

6. Adequate Protection Superpriority Claims. As further adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral, the

Bridge Lender is hereby granted an allowed superpriority administrative expense claim against the Debtor (the "**Adequate Protection Superpriority Claims**") that will, to the extent provided by section 507(b) of the Bankruptcy Code, have priority over any and all administrative expenses of and unsecured claims against the Debtor now existing or hereafter arising, of any kind or nature whatsoever, including all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c), 726, and 1114 of the Bankruptcy Code (including those resulting from the conversion of the Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code), subject only to the Carve Out, the DIP Superpriority Claims arising under the Tranche A DIP Facility (but not those arising under the Tranche B DIP Facility), and the Bridge Loan Obligations. The Adequate Protection Superpriority Claims shall survive any conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case. Subject only to the Carve Out and the DIP Superpriority Claims arising under the Tranche A DIP Facility (but not those arising under the Tranche B DIP Facility), and the Bridge Loan Obligations, the Adequate Protection Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtor and its estate (excluding Avoidance Actions but including Avoidance Proceeds).

7. Adequate Protection Payments. The Debtor is authorized and directed to provide further adequate protection to the Bridge Lender in the form of payment in cash of (a)accrued interest on the Bridge Loans at the non-default rate due under the Bridge Loan Documents (with the Bridge Lender's right to pursue payment of interest at the default rate preserved); (b) promptly upon entry of this Order, the reasonable and documented out-of-pocket fees, costs, and expenses incurred by the Bridge Lender, owed by the Debtor pursuant to the Bridge Loan

Documents and arising prior to the Petition Date, including reasonable and documented out-of-pocket fees and expenses of White & Case LLP; and (c) in accordance with the procedures set forth in paragraph 17 hereof, the reasonable and documented out-of-pocket fees, costs, and expenses incurred by the Bridge Lender due pursuant to the Bridge Loan Documents, owed by the Debtor pursuant to the Bridge Loan Documents, and arising on or after the Petition Date, including reasonable and documented out-of-pocket fees and expenses of White & Case LLP.

8. Repayment of DIP Obligations. The DIP Obligations shall be due and payable, and shall be paid, as and when provided in the DIP Loan Documents and as provided herein, without defense, offset, or counterclaim. Without limiting the generality of the foregoing, in no event shall the Debtor be authorized to offset or recoup any amounts owed, or allegedly owed, by any DIP Secured Party to the Debtor or any of its respective subsidiaries or affiliates against any of the DIP Obligations without the prior written consent of the DIP Secured Parties, if any, that would be adversely affected by any such offset or recoupment, and no such consent shall be implied from any action, inaction or acquiescence by any DIP Secured Party.

9. Payments Free and Clear. All payments or proceeds remitted to the Bridge Lender as adequate protection or the DIP Agent by or on behalf of the Debtor pursuant to the DIP Loan Documents, the provisions of this Order, or any subsequent order of this Court, shall be received free and clear of any claim, charge, assessment, or other liability, including any such claim or charge arising out of or based on, directly or indirectly, section 506(c) or the "equities of the case" exception of section 552(b) of the Bankruptcy Code.

10. Fees and Expenses of Estate Professionals. Subject to paragraphs 12 and 13 below, the Debtor is authorized to use proceeds of DIP Loans to pay such compensation and expense reimbursement (collectively, "**Professional Fees**") of professional persons (including

attorneys, financial advisors, accountants, investment bankers, appraisers, and consultants, in each case to the extent such professional person's retention is subject to court approval) retained pursuant to section 327, 330, 331, or 1103 of the Bankruptcy Code, as applicable, by the Debtor (such retained professionals, the "**Debtor's Professionals**") or a Creditors' Committee, (such retained professionals, the "**Committee Professionals**" and, collectively with the Debtor's Professionals, the "**Professionals**"), to the extent that such compensation and expense reimbursement is authorized and approved by the Court at any time.

11. Section 506(c) Claims. Except to the extent of the Carve Out, no costs or expenses of administration shall be imposed upon any DIP Secured Party or on any DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or otherwise without the prior written consent of such DIP Secured Party, and no such consent shall be implied from any action, inaction, or acquiescence by any DIP Secured Party. Further, the Debtor waives, and shall not assert in this Chapter 11 Case or any Successor Case, any surcharge claim under sections 105(a) and/or 506(c) of the Bankruptcy Code or otherwise with respect to the DIP Obligations, the DIP Liens, the Bridge Loan Obligations, or the Bridge Loan Liens.

12. Carve Out.

(a) Notwithstanding anything to the contrary in this Order, any other DIP Loan Document, or any other order of this Court to the contrary, the rights and claims of the DIP Lenders, including the DIP Liens and DIP Superpriority Claims, shall be subject and subordinate in all respects to the payment of the Carve Out. As used in this Order, "**Carve Out**" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the United States Trustee under sections 156(c) and 1930(a) of title 28 of the United States Code plus interest, if any, as set forth in section 3717 of title 31 of the United States Code (without regard to the notice set forth

in (iii) below); (ii) all reasonable fees and expenses up to $150,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice (as defined below), whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (including any restructuring, sale, success, or other transaction fee of any investment bankers or financial advisors) accrued or incurred by the Professionals (such fees and expenses, the "**Allowed Professional Fees**") at any time before or on the first business day following the day on which a Carve Out Trigger Notice is delivered by the DIP Agent in accordance with this paragraph 12 (such date of delivery, the "**Termination Declaration Date**"); and (iv) Allowed Professional Fees incurred after the first business day following the Termination Declaration Date, to the extent allowed at any time, whether by interim order, procedural order, or otherwise, in an aggregate amount not to exceed $2,000,000 less the amount of any prepetition retainers received by the Professionals and not applied to the fees, disbursements, costs, and expenses set forth in clause (iii) above (the amount set forth in this clause (iv), the "**Post-Carve Out Trigger Notice Cap**"). For purposes of the foregoing, "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent (at the direction of the Tranche A DIP Lenders until such time as the Tranche A DIP Obligations have been satisfied in full, and then at the direction of the Tranche B DIP Lenders) to the Debtor, its lead restructuring counsel, the U.S. Trustee, and counsel to any Creditors' Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) On the Termination Declaration Date, the Carve Out Trigger Notice shall constitute a demand to the Debtor to utilize all cash on hand as of such date to fund a reserve in an amount equal to the then-unpaid amounts of the Allowed Professional Fees within one business day of the Termination Declaration Date; *provided* that in the event that a Termination Declaration Date occurs, each Professional shall have two business days to deliver to the Debtor such Professional's good faith estimate of the Allowed Professional Fees incurred through the Termination Declaration Date, and the Debtor shall fund into the Carve Out Account (as defined below) such amounts within one business day of receipt of such estimates. The Debtor shall deposit and hold such amounts (the "**Pre-Carve Out Trigger Notice Reserve**") in the Carve Out Account in trust to pay such then-unpaid Allowed Professional Fees prior to any and all other Allowed Professional Fees. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtor to utilize all cash on hand as of such date and any available cash thereafter held by the Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtor shall deposit and hold such amounts (the "**Post-Carve Out Trigger Notice Reserve**" and, together with the Pre-Carve Out Trigger Notice Reserve, the "**Carve Out Reserves**") in a segregated account (the "**Carve Out Account**") at an institution reasonably designated by the DIP Agent (at the direction of the Tranche A DIP Lenders until such time as the Tranche A DIP Obligations have been satisfied in full, and then the Tranche B DIP Lenders) in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap prior to any and all other Allowed Professional Fees. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "**Pre-Carve Out Amounts**") until paid in full, and then, to the

extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to repay the DIP Obligations, unless the DIP Obligations have been indefeasibly paid in full and all DIP Commitments have been terminated, in which case such remaining funds shall be retained by the Debtor. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "**Post-Carve Out Amounts**") until paid in full, and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to repay the DIP Obligations, unless the DIP Obligations have been indefeasibly paid in full and all DIP Commitments have been terminated, in which case such remaining funds shall be retained by the Debtor.

(c) Notwithstanding anything to the contrary in this Order or the other DIP Loan Documents, following delivery of a Carve Out Trigger Notice, none of the DIP Secured Parties shall be permitted to sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtor in the Carve Out Account, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Agent for application to the DIP Obligations in accordance with the DIP Loan Documents and this paragraph 12. Further, notwithstanding anything to the contrary in this Order or the other DIP Loan Documents, (i) disbursements by the Debtor from the Carve Out Account shall not constitute DIP Loans or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, (iii) in no way shall the Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtor, and (iv) the Carve Out as provided for and capped by this Order shall be senior to and have priority over all liens

securing the DIP Obligations and the DIP Superpriority Claims. Notwithstanding the foregoing, subject to the terms of any applicable retention orders entered by the Court, the DIP Secured Parties reserve all of their rights to challenge or otherwise object to any of the fees or expenses sought to be approved by any of the Professionals.

(d) Any payment or reimbursement made prior to the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out. Any payment or reimbursement made on or after the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

(e) None of the DIP Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional incurred in connection with the Chapter 11 Case or any Successor Case. Nothing in this Order or otherwise shall be construed to obligate the DIP Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional or to guarantee that the Debtor has sufficient funds to pay such compensation or reimbursement.

13. DIP Proceeds Restrictions. Neither the Carve Out nor any DIP Loan Proceeds or DIP Collateral shall be used to, among other things (any of the following each a "**Prohibited Purpose**"): (a) object to, seek subordination of, or contest the validity, extent, perfection, priority, or enforceability of the DIP Facility or the amount due thereunder and the superpriority claims granted thereby, the DIP Liens, the Bridge Loan Facilities or the amount due thereunder, or the Bridge Loan Liens; (b) investigate, initiate, assert, or prosecute any claim, defense, demand, or cause of action against the DIP Agent, the DIP Lenders, or the Bridge Lender, or any of their respective officers, directors, employees, agents, attorneys, representatives, subsidiaries, affiliates, or shareholders, under or relating to the DIP Facility, including, in each case, any

action, suit or other proceeding for breach of contract or tort or pursuant to sections 105, 506, 510, 544, 547, 548, 549, 550, 552, or 553 of the Bankruptcy Code, or under any other applicable law (state, federal, or foreign), or otherwise; (c) prevent, hinder, or delay, whether directly or indirectly, any DIP Secured Party's or the Bridge Lender's assertion or enforcement of its liens and security interests, or its efforts to realize upon any DIP Collateral or Bridge Loan Collateral or the claims authorized or granted under the DIP Loan Documents or the Bridge Loan Documents, as applicable, or exercise any other rights and remedies under the DIP Loan Documents or Bridge Loan Documents, as applicable, or applicable law; (d) seek to modify any of the rights granted under this Order to any DIP Secured Party or the Bridge Lender; (e) assert any defense, counterclaim, or offset to this Order, any DIP Obligations, or any Bridge Loan Obligations; or (f) object to, contest, delay, prevent, or interfere in any way with the exercise of rights or remedies by any DIP Secured Party with respect to any DIP Collateral, after the occurrence and during the continuance of an Event of Default (as defined in the DIP Credit Agreement); *provided, however*, that the Carve Out and such DIP Loan and DIP Collateral proceeds may be to pay the allowed fees and expenses, in an amount not to exceed $100,000 in the aggregate (the "**Investigation Budget Amount**"), incurred solely by a Creditors' Committee (if appointed), in investigating (but not prosecuting or challenging) the validity, enforceability, perfection, priority, or extent of the Bridge Loan Liens within 60 calendar days following the date of entry of this Order, unless otherwise extended by the Court.

14. Effect of Stipulations on Third Parties.

(a) Generally. The Debtor's Stipulations are and shall be irrevocably binding on the Debtor. All creditors and parties in interest and all of their successors in interest and assigns, including a Creditors' Committee (if appointed), shall also be bound by the Debtor's

Stipulations unless, and solely to the extent that, any creditor, a party in interest or Creditors' Committee, in each case that has sought and obtained standing and the requisite authority to commence a Challenge (as defined below) (other than the Debtor, as to which any Challenge is irrevocably waived and relinquished) (i) has timely filed the pleadings, and timely commenced the proceeding required under the Bankruptcy Code and Bankruptcy Rules, including as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitation set forth in this paragraph 14), challenging any of the Debtor's Stipulations (each such proceeding or pleading commencing a proceeding or other contested matter, a "**Challenge**") by the earlier of (A) the date of entry of an order confirming a plan for the Debtor and (B) the later of (1) for a Creditors' Committee (if appointed), 60 days from the entry of this Order, or (2) 75 days following the entry of this Order for any other party in interest with requisite standing (the earlier to occur of (A) and (B), the "**Challenge Deadline**"), as such applicable date may be extended in writing from time to time in the sole discretion of the Bridge Lender or by this Court for good cause shown pursuant to an application filed by a party in interest prior to the expiration of the Challenge Deadline, and (ii) this Court enters judgment in favor of the plaintiff or movant in any such timely commenced Challenge proceeding and any such judgment has become a final judgment that is not subject to any further review or appeal.

(b) Binding Effect. To the extent no Challenge proceeding is timely commenced by the Challenge Deadline, or to the extent such proceeding does not result in a final and non-appealable judgment of this Court that is inconsistent with the Debtor's Stipulations, then, without further notice, motion, or application to, order of, or hearing before, this Court, the Debtor's Stipulations shall, pursuant to this Order, become binding, conclusive, and final on any person, entity, or party in interest in this Chapter 11 Case, and their respective successors and

assigns, and in any Successor Case for all purposes, and shall not be subject to challenge or objection by any party in interest, including a trustee, responsible individual, examiner with expanded powers, or other representatives of the Debtor's estate. Notwithstanding anything to the contrary herein, if any such proceeding is timely commenced, the Debtor's Stipulations shall nonetheless remain binding on all other parties in interest and preclusive as provided in subparagraph (a) above except to the extent that any of the Debtor's Stipulations is expressly the subject of a timely filed Challenge, which Challenge is successful as set forth in a final judgment as provided in subparagraph (a) above. To the extent any such Challenge proceeding is timely commenced, as adequate protection, the Bridge Lender shall be entitled to payment of the reasonable related costs and expenses, including reasonable and documented attorneys' fees of one law firm and, to the extent necessary, one local counsel in each relevant jurisdiction, incurred in defending itself in any such proceeding. Upon a successful Challenge brought pursuant to this paragraph 14, the Court may fashion any appropriate remedy.

15. Reservation of Rights.

(a) Protection from Subsequent Financing Order. Prior to the payment in full of all DIP Obligations and Bridge Loan Obligations and the termination of funding commitments under the DIP Facility in accordance with the terms of the DIP Loan Documents and the Bridge Loan Facilities in accordance with the terms of the Bridge Loan Documents, there shall not be entered in this Chapter 11 Case or in any Successor Case any order other than with the consent of the Bridge Lender, the DIP Agent, and the requisite DIP Lenders (as provided for in the DIP Loan Documents) that authorizes the obtaining of credit or the incurrence of indebtedness by the Debtor (or any trustee or examiner) that is: (i) secured by a security interest, mortgage, or other lien on all or any part of the DIP Collateral that is equal or senior to the DIP Liens or the

Adequate Protection Liens or (ii) entitled to claims with payment priority that is equal or senior to the DIP Superpriority Claims or the Adequate Protection Superpriority Claims; *provided, however*, that nothing herein shall prevent the entry of an order that specifically provides for, as a condition to the granting of the benefits of clauses (i) and (ii) above, (1) the payment in full of all of the DIP Obligations and the Bridge Loan Obligations and (2) the termination of any funding commitments under the DIP Loan Documents and the Bridge Loan Documents.

(b) Rights Upon Dismissal, Conversion, or Consolidation. The dismissal, conversion, or substantive consolidation of the Chapter 11 Case shall not affect the rights or remedies of any DIP Secured Party or the Bridge Lender under the DIP Loan Documents or this Order, and all of the respective rights and remedies hereunder and thereunder of each DIP Secured Party and the Bridge Lender shall remain in full force and effect as if such Chapter 11 Case had not been dismissed, converted, or substantively consolidated.

(c) Survival of Final Order. This Order, and any actions taken pursuant hereto, shall survive the entry of and shall not be modified, superseded, impaired, discharged, or in any way altered, without the consent of the DIP Secured Parties, by any order that may be entered: (i) confirming any plan of reorganization or liquidation in the Debtor's Chapter 11 Case; (ii) converting the Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (iii) dismissing the Debtor's Chapter 11 Case or any Successor Case; or (iv) pursuant to which the Court abstains from hearing the Chapter 11 Case or any Successor Case. The terms and provisions of this Order, including the claims, liens, security interests, and other protections granted to the DIP Secured Parties and the Bridge Lender pursuant to this Order or the other DIP Loan Documents, shall continue in full force and effect notwithstanding the entry of any such order, and such rights, claims and liens shall maintain their priority as provided by this Order and

the other DIP Loan Documents to the maximum extent permitted by law until all of the DIP Obligations are indefeasibly paid in full in accordance with the DIP Loan Documents.

(d) No Discharge. None of the DIP Obligations shall be discharged by the entry of any order confirming a plan of reorganization or liquidation in this Chapter 11 Case, unless such obligations have been indefeasibly paid in full in accordance with the DIP Loan Documents on or before the effective date of such plan, or each of the DIP Secured Parties has otherwise agreed in writing, and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtor has waived such discharge.

(e) Credit Bid Protection. The DIP Secured Parties shall have, subject to section 363(k) of the Bankruptcy Code, the unqualified right to credit bid up to the full amount of the DIP Obligations and the DIP Superpriority Claims, without the need for further Court order authorizing the same, in connection with any sale of any of the DIP Collateral, whether such sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise. The Debtor shall not object to or support any objection to any DIP Secured Party credit bidding up to the full amount of its outstanding DIP Obligations in accordance with the applicable DIP Loan Documents in any sale of any DIP Collateral, whether such sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise.

(f) No Marshaling. In no event shall any DIP Secured Party be subject to the equitable doctrine of "marshaling" or any similar doctrine with resect to any DIP Collateral.

(g) No Requirement to File Claim for DIP Obligations. Notwithstanding anything to the contrary contained in any prior or subsequent order of the Court, including any order establishing a deadline for the filing of proofs of claim or requests for payment of

administrative expenses under section 503(b) of the Bankruptcy Code, no DIP Secured Party or Bridge Lender shall be required to file any proof of claim or request for payment of administrative expenses with respect to any of the DIP Obligations or the Bridge Loan Obligations, all of which shall be due and payable in accordance with the DIP Loan Documents and the Bridge Loan Documents applicable thereto without the necessity of filing any such proof of claim or request for payment of administrative expenses; and the failure to file any such proof of claim or request for payment of administrative expenses shall not affect the validity, priority, or enforceability of any of the DIP Loan Documents or the Bridge Loan Documents or of any DIP Obligations or Bridge Loan Obligations arising at any time thereunder, or prejudice or otherwise adversely affect any DIP Secured Party or any Bridge Lender's rights, remedies, powers, or privileges under any of the DIP Loan Documents, the Bridge Loan Documents, this Order, or applicable law.

16. Automatic Perfection of Liens. Effective when the Interim Order was entered, and ratified and continuing with the entry of this Order, the DIP Liens and Adequate Protection Liens are effective, valid, binding, enforceable, and duly perfected. None of the DIP Secured Parties or the Bridge Lender shall be required to file any UCC-1 financing statement, mortgage, deed of trust, assignment, pledge, security deed, notice of lien, or any similar document or instrument in any jurisdiction or take any other action (including taking possession of any of the DIP Collateral) in order to validate the perfection of any DIP Liens or the Adequate Protection Liens, but all of such filings and other actions are hereby authorized by the Court. If the DIP Agent or Bridge Lender, in its discretion, chooses to file or record any such mortgage, deed of trust, assignment, pledge, security deed, notice of lien, or UCC-1 financing statement, or take any other action in any jurisdiction to evidence the perfection of any part of the DIP Liens or the

Adequate Protection Liens, as applicable, the Debtor and its respective officers are authorized and directed to use commercially reasonable efforts to execute, file, and record any documents or instruments as the DIP Agent or the Bridge Lender, as applicable, may reasonably request, and all such documents and instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this Order. The DIP Agent or Bridge Lender may, in its reasonable discretion, file a certified copy of this Order in any filing office in any jurisdiction in which the Debtor is organized or has or maintains any DIP Collateral or an office, and each filing office is directed to accept such certified copy of this Order for filing and recording. The DIP Agent, the DIP Lenders, or the Bridge Lender may require the Debtor to enter into non-U.S. security documentation with respect to such DIP Collateral located in non-U.S. jurisdictions, and the Debtor and its respective officers are authorized and directed to use commercial reasonable efforts to execute, file, and record any documents or instruments as the DIP Agent, the DIP Lenders, or the Bridge Lender may reasonably request, and all such documents and instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this Order.

17. Reimbursement of Fees, Costs, and Expenses of DIP Secured Parties and the Bridge Lender. The Debtor shall reimburse the DIP Secured Parties for their reasonable and documented out-of-pocket fees, costs, and expenses, whether accrued on, prior to, or after the Closing Date, in connection with (a) the preparation, negotiation, execution, and administration of the DIP Loan Documents and any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, including any amendment or waiver of the DIP Loan Documents, (b) the funding of the DIP Loans, (c) the creation, perfection, or protection of the DIP Liens (including all search, filing and recording fees), (d) internal audit reviews and field examinations, (e) the enforcement or preservation of

any right or remedy under any DIP Loan Document, any DIP Obligation, or with respect to the DIP Collateral, (f) the commencement, defense, conduct of, intervention in, or the taking of any other action (including preparation for and/or response to any subpoena or request for document production relating thereto) with respect to, any proceeding related to the Debtor, any DIP Loan Document or DIP Obligation, (g) the review of pleadings and other filings made with the Bankruptcy Court, (h) attendance at hearings in respect of the Chapter 11 Case, (i) any refinancing or restructuring of the DIP Loans in the nature of a "work-out," and (j) defending and prosecuting any actions or proceedings arising out of or relating to the DIP Obligations or any transactions related to arising in connection with the DIP Loan Documents; *provided* that, in the case of each of the foregoing clauses (a)-(j), such fees, costs, and expenses of counsel shall be limited to one law firm on behalf of all DIP Secured Parties and, to the extent necessary, one local counsel in each relevant jurisdiction (and in the case of an actual or perceived conflict of interest, one additional law firm on behalf of the affected DIP Secured Party). Each professional (including, pursuant to paragraph 7, those retained by the Bridge Lender) or party shall provide copies of applicable invoices (which invoices may be redacted or summarized for protection of an applicable privilege or the work product doctrine) (the fees thereunder, the "**Invoiced Fees**") to lead restructuring counsel to the Debtor, counsel to any Creditors' Committee, and the U.S. Trustee, which invoices shall, for any law firm or other counsel, include (i) a general, brief description of the nature of the matters for which services were performed, (ii) a list of the relevant attorneys and total hours billed by each for the relevant period, and (iii) such other detail regarding the Invoiced Fees as the U.S. Trustee may reasonably request to be provided on a confidential basis. Any objections raised by the Debtor, the U.S. Trustee, or the Creditors' Committee challenging any portion of the Invoiced Fees (such portion, the "**Disputed Invoiced**

Fees") must be in writing and state with particularity the grounds therefor and must be submitted to the applicable professional or party within ten business days of receipt (the "**Review Period**") and, if after the Review Period an objection remains unresolved, such objection will be subject to resolution by the Court. After the Review Period, the undisputed portion of Invoiced Fees will be paid promptly by the Debtor, without the necessity of filing formal fee applications, regardless of whether such amounts arose or were incurred before or after the Petition Date. Notwithstanding the foregoing, the Debtor is authorized to pay any such costs, fees, and expenses required as a condition precedent to the obligations of the DIP Lenders pursuant to the DIP Credit Agreement without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph 17 and without any further application to or order of this Court. The Debtor shall pay any Disputed Invoiced Fees promptly upon resolution of the objection, including to the extent resolved through approval by the Court, to the extent of such approval. In no event shall any invoice or other statement submitted by any DIP Secured Party or the Bridge Lender to the Debtor, the Creditors' Committee, the U.S. Trustee, or any other interested person (or any of their respective Professionals) with respect to fees or expenses incurred by any professional retained by such DIP Secured Party or the Bridge Lender operate to waive the attorney/client privilege, the work-product doctrine, or any other evidentiary privilege or protection recognized under applicable law.

18. Amendments and Waivers. The Debtor and the DIP Secured Parties are hereby authorized to enter into, in accordance with the terms of the applicable DIP Loan Documents and without further order of the Court, any amendments to, modifications of, or waivers with respect to any of such DIP Loan Documents (and the payment of any fees, expenses, or other amounts payable in connection therewith) on the following conditions: (a) the

amendment, modification, or waiver must not constitute a material change to the terms of such DIP Loan Document; and (b) copies of the amendment, modification, or waiver must be served upon counsel for any Creditors' Committee and the U.S. Trustee. Any amendment, modification, or waiver that constitutes a material change, to be effective, must be approved by the Court. For purposes hereof, a "material change" shall mean a change to a DIP Loan Document that operates to shorten the term of the DIP Facility or the maturity of the DIP Obligations, to increase the aggregate amount of the DIP Commitments, to increase the rate of interest other than as currently provided in or contemplated by such DIP Loan Documents, to add specific Events of Default, or to enlarge the nature and extent of remedies available to the DIP Agent following the occurrence of an Event of Default. Without limiting the generality of the foregoing, no amendment of a DIP Loan Document that postpones or extends any date or deadline therein or herein (including the expiration of the term of a DIP Facility), nor any waiver of an Event of Default, shall constitute a "material change" and any such amendment may be effectuated by the Debtor and the DIP Secured Parties without the need for further approval of the Court.

19. Events of Default; Remedies.

(a) Notice of Default. Upon the occurrence of an Event of Default under (and as defined in) any DIP Loan Document and during the continuance thereof: (i) the DIP Lenders may declare, on a pro rata basis, all or any portion of the DIP Facility to be suspended or terminated, whereupon such DIP Facility shall forthwith be suspended or terminated; (ii) the Debtor shall have no right to request any extension of credit under the DIP Facility or to use DIP Loan Proceeds or any DIP Collateral or proceeds of DIP Collateral other than towards the satisfaction of the Bridge Loan Obligations, the DIP Obligations, and the Carve Out, as provided

herein, and (iii) subject to the terms of the DIP Credit Agreement, the DIP Agent may in its discretion serve upon counsel for the Debtor, counsel for any Creditors' Committee, and the U.S. Trustee a written notice (a "**Default Notice**") setting forth the Events of Default, in which event (unless the Court determines that no Event of Default exists or continues to exist, after notice and a hearing) effective five business days after the Default Notice is filed (the "**Remedies Notice Period**"), the DIP Agent and the Bridge Lender shall be deemed to have received complete relief from the automatic stay imposed by section 362(a) of the Bankruptcy Code (and any other stay then in effect) and shall be authorized, without further notice to the Debtor or any other interested party or any further order of this Court, to (A) declare all or any portion of the unpaid principal amount of all outstanding DIP Loans or Bridge Loans, as applicable, all interest accrued and unpaid thereon, and all other amounts owing or payable under any of the DIP Loan Documents or Bridge Loan Documents, as applicable, to be immediately due and payable, (B) demand payment and enforce collection of all DIP Obligations, and (C) otherwise exercise all rights and remedies available to them under the DIP Loan Documents or the Bridge Loan Documents, as applicable. During the Remedies Notice Period, the Debtor and any Creditors' Committee shall be entitled to seek an emergency hearing with the Court (such hearing, a "**Remedies Hearing**"). In any Remedies Hearing the Debtor shall waive its right to and shall not be entitled to seek relief, including under section 105 of the Bankruptcy Code, to the extent that such relief would impair or restrict the rights and remedies of the DIP Agent or the Bridge Lenders as set forth in this Order or in any of the other DIP Loan Documents or Bridge Loan Documents, as applicable, and the only issue that may be raised by the Debtor is whether, in fact, an Event of Default has occurred. Prior to the adjudication of the Remedies Hearing, the Debtor may use the proceeds of the DIP Facility (to the extent drawn prior to the occurrence of an Event

of Default) solely to fund essential operations in accordance with past practice, the DIP Loan Documents, and the Approved Budget. Upon the effectiveness of any relief from the automatic stay granted or deemed to have been granted pursuant to this paragraph 19(a), each of the DIP Agent and Bridge Lender may, in its discretion, take all actions and exercise all other rights and remedies under this Order, the other DIP Loan Documents, the Bridge Loan Documents, and applicable law that may be necessary or deemed appropriate to collect any of the DIP Obligations or Bridge Loan Obligations, as applicable, and otherwise enforce any of the provisions of this Order. The DIP Agent's or Bridge Lender's delay or failure to exercise rights and remedies under any DIP Loan Documents, this Order, the Bridge Loan Documents, or applicable law shall not constitute a waiver of any of its rights and remedies hereunder, thereunder, or otherwise, unless any such waiver is pursuant to a written instrument executed by the DIP Agent or Bridge Lender, as applicable.

(b) Rights Cumulative. The rights, remedies, powers, and privileges conferred upon any DIP Secured Party and the Bridge Lender pursuant to this Order shall be in addition to and cumulative with those contained in the other applicable DIP Loan Documents and Bridge Loan Documents and created under applicable law.

20. Modification of Automatic Stay. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby modified to the extent necessary to implement the provisions of this Order and the DIP Loan Documents, thereby permitting the DIP Agent, as and to the extent provided herein, to receive proceeds of the DIP Collateral for application to the DIP Obligations, to file or record any UCC-1 financing statements, mortgages, deeds of trust, assignments, pledges, security deeds, or other instruments and documents evidencing or validating the

perfection of any DIP Liens, and to enforce any DIP Liens; and the Bridge Lender, as and to the extent provided herein, to receive adequate protection.

21. Effect of Appeal. Consistent with section 364(e) of the Bankruptcy Code, if any or all of the provisions of this Order are hereafter modified or reversed, such modification or reversal on appeal shall not affect the validity of any debt so incurred, or any liens or priorities granted by the Debtor to any DIP Secured Party, prior to the effective date of such modification or reversal, whether or not any such entity knew of the appeal, unless the authorization and incurring of such debt, or the granting of such lien or priority, were stayed pending appeal.

22. Service of Final Order. Promptly after the entry of this Order, the Debtor shall serve copies of this Order to the parties having been given notice of the Final Hearing.

23. No Deemed Control; Exculpation.

(a) In determining to make any DIP Loans under the DIP Loan Documents, or in exercising any rights or remedies as and when permitted pursuant to this Order or the other DIP Loan Documents, no DIP Secured Party shall be deemed to be in control of the Debtor or its operations with respect to the operation or management of such Debtor, nor shall the DIP Secured Parties (in their respective capacities as such) owe any fiduciary duty to the Debtor, its creditors, shareholders, or estate.

(b) None of the DIP Loan Documents or any other document related to the DIP Facility shall in any way be construed or interpreted to impose or allow the imposition upon any DIP Secured Party any liability for any claims arising from the prepetition (subject to paragraph 14) or postpetition activities of the Debtor in the operation of its business or in connection with its restructuring efforts. So long as a DIP Secured Party complies with its obligations under the applicable DIP Loan Documents and applicable law: (i) such DIP Secured

Party shall not, in any way or manner, be liable or responsible for (A) the safekeeping of the DIP Collateral, (B) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (C) any diminution in the value thereof, or (D) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person or entity; and (ii) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the Debtor.

24. Binding Effect; Successors and Assigns. The provisions of this Order shall be binding upon all parties in interest in this Chapter 11 Case, including the Debtor, the DIP Secured Parties, and its and their respective successors and assigns (including any chapter 11 or chapter 7 trustee hereafter appointed for the estate of the Debtor, any examiner appointed pursuant to section 1104 of the Bankruptcy Code, any Creditors' Committee, or any other fiduciary appointed as a legal representative of the Debtor or with respect to any property of the estate of the Debtor), and shall inure to the benefit of the Debtor, the DIP Secured Parties, and its and their respective successors and assigns. In no event shall any DIP Secured Party have any obligation to make DIP Loans to, or permit the use of the DIP Collateral by, any chapter 7 trustee, chapter 11 trustee, or similar responsible person appointed or elected for the estate of the Debtor.

25. Objections Overruled. Any and all objections to the relief requested in the Motion, to the extent that such objections are to entry of this Order and that have not otherwise been withdrawn, waived, or resolved by consent at or before the Final Hearing, and all reservations of rights included therein, are hereby OVERRULED and DENIED.

26. Conditions Precedent. No DIP Lender shall have any obligation to make any DIP Loans, or otherwise fulfil any obligation of such DIP Lender set forth in the DIP Loan Documents, unless the conditions precedent to making such extensions of credit or fulfilling any

such obligation under the DIP Loan Documents have been satisfied in full or waived in accordance with the DIP Loan Documents.

27. Section 552(b). The Bridge Lender shall be entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code and the "equities of the case" exception under Section 552(b) of the Bankruptcy Code shall not apply to the Bridge Lender with respect to proceeds, product, offspring, or profits of any of the Bridge Loan Collateral.

28. Effectiveness; Enforceability. This Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall be valid, take full effect, and be enforceable immediately upon entry hereof; there shall be no stay of execution or effectiveness of this Order; and any stay of the effectiveness of this Order that might otherwise apply is hereby waived for cause shown.

29. Inconsistencies. To the extent that any provision in the other DIP Loan Documents are inconsistent with any of the provisions of this Order, the provisions of this Order shall govern and control.

30. Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Order.

31. Notwithstanding anything to the contrary in this Order, any legal rights and remedies afforded to the credit card processors that are party to the Merchant Services Agreements described in Paragraph 20 of the *Interim Order Authorizing (A) Debtor to Maintain and Use Existing Cash Management Systems, Bank Accounts, and Business Forms; (B)*

Financial Institutions to Honor and Process Related Checks and Transfers; and (C) Granting Related Relief entered in this Chapter 11 Case, under such Merchant Services Agreements, credit card network regulations or applicable law, including, without limitation, reserve and setoff rights, shall be preserved.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Annex A

DIP Credit Agreement

EXECUTION VERSION

DEBTOR-IN-POSSESSION CREDIT AGREEMENT

Dated as of

September 9, 2021,

by and among

PHILIPPINES AIRLINES, INC.,

as the Borrower and Debtor-in-Possession,

BUONA SORTE HOLDINGS, INC.,

as the Agent,

and

THE OTHER PERSONS PARTY HERETO,

as the Lenders

TABLE OF CONTENTS

ARTICLE I THE CREDIT 1

1.1. Amounts and Terms of Commitments 1
1.2. Evidence of Loans; Notes 2
1.3. Interest, Fees, and Other Amounts 2
1.4. Procedure for Borrowing 3
1.5. Payments by the Borrower 4
1.6. Optional Prepayments 5
1.7. Total Loss 5
1.8. Conversion of Tranche A Term Loans 5
1.9. Conversion of Tranche B Term Loans 5
1.10. Termination Date 6

ARTICLE II CONDITIONS PRECEDENT 6

2.1. Conditions to Effectiveness of Credit Agreement 6
2.2. Conditions to Each Borrowing 8

ARTICLE III REPRESENTATIONS AND WARRANTIES 8

3.1. Corporate Existence and Power 9
3.2. Corporate Authorization; No Contravention 9
3.3. Governmental Authorization; Consents 9
3.4. Binding Effect 9
3.5. Litigation 10
3.6. Margin Regulations 10
3.7. Regulated Entities 10
3.8. Ownership and Possession of Property 10
3.9. Full Disclosure 10
3.10. Sanctions, Foreign Assets Control Regulations, and Anti-Money Laundering 11
3.11. Foreign Assets Control Regulations 11

ARTICLE IV AFFIRMATIVE COVENANTS 11

4.1. Notices; Other Information 12
4.2. Financial Reporting Requirements 12
4.3. Compliance with Laws; Maintenance of Existence 13
4.4. Use of Proceeds 13
4.5. Further Assurances 13
4.6. Bankruptcy Matters 13
4.7. OFAC; Anti-Money Laundering 14
4.8. Undertakings with respect to Collateral 14
4.9. Conditions Subsequent 14

ARTICLE V NEGATIVE COVENANTS 15

5.1. Limitation on Liens 15
5.2. Margin Stock; Use of Proceeds 15
5.3. Bankruptcy Matters 15

Page

5.4. General Negative Covenants 16

ARTICLE VI SUPERPRIORITY CLAIMS, COLLATERAL, ETC. 17

6.1. Grant of Security 17
6.2. Administrative Priority 17
6.3. No Filings Required 17
6.4. No Discharge; Survival of Claims 18
6.5. Prohibition on Surcharge; Etc. 18
6.6. Marshalling Obligations 18
6.7. Subordination 18

ARTICLE VII EVENTS OF DEFAULT 19

7.1. Events of Default 19
7.2. Remedies 21
7.3. Rights Not Exclusive 22

ARTICLE VIII THE AGENT 22

8.1. Authorization and Action 22
8.2. The Agent Individually 22
8.3. Duties of the Agents: Exculpatory Provisions 23
8.4. Reliance by the Agent 23
8.5. Delegation of Duties 24
8.6. Resignation of the Agent 24
8.7. Non-Reliance on the Agent and Other Lenders 25
8.8. Indemnification 26

ARTICLE IX MISCELLANEOUS 26

9.1. Amendments and Waivers 26
9.2. Notices 27
9.3. No Waiver; Cumulative Remedies 27
9.4. Costs and Expenses; Yield Protection; Indemnity; Etc. 28
9.5. Payments Set Aside 30
9.6. Assignments 30
9.7. Binding Effect 31
9.8. Counterparts; Facsimile Signature 31
9.9. Severability 31
9.10. Captions 31
9.11. Independence of Provisions 31
9.12. Interpretation 31
9.13. No Third Parties Benefited 31
9.14. Governing Law and Jurisdiction 32
9.15. Waiver of Jury Trial 32
9.16. Entire Agreement; Release; Survival 32
9.17. Patriot Act 33

ARTICLE X DEFINITIONS 33

10.1. Defined Terms 33

Page

10.2. Other Interpretive Provisions 43
10.3. Accounting Terms and Principles 43

SCHEDULES

Schedule 1.1	Term Loan Commitments
Schedule 1.7	Agreed Value
Schedule 3.8	Collateral Description
Schedule 5.1	Liens existing on the Closing Date

ANNEX

Annex A	Undertakings with respect to Collateral
Annex B	Form of Deregistration Power of Attorney

DEBTOR-IN-POSSESSION CREDIT AGREEMENT

This **DEBTOR-IN-POSSESSION CREDIT AGREEMENT** (as amended, restated, replaced, supplemented, or otherwise modified from time to time, this "Agreement") is entered into as of September 9, 2021, by and among **PHILIPPINE AIRLINES, INC.**, a Philippine corporation and a debtor and debtor-in-possession ("PAL," the "Borrower" or "Debtor"), **BUONA SORTE HOLDINGS, INC**., as agent for the Lenders (solely in such capacity, together with its successors and assigns in such capacity, the "Agent") and the other Persons from time to time party hereto, as lenders (collectively, the "Lenders" and each a "Lender").

WITNESSETH:

WHEREAS, on September 3, 2021 (the "Petition Date"), the Borrower filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, which case is being administered as Bankruptcy Case No. 21-11569 (the "Chapter 11 Case") before the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, the Borrower has requested that the Lenders make available for the purposes specified in this Agreement the credit facilities set forth herein; and

WHEREAS, the Lenders are willing to make available to the Borrower such credit facilities on the terms and under the conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent, and warrant as follows:

ARTICLE I
THE CREDIT

1.1. Amounts and Terms of Commitments.

(a) Subject to the terms and conditions of this Agreement and in the DIP Order, each Tranche A Lender severally and not jointly agrees to make available to the Borrower a multi-draw term loan facility in an amount not to exceed the amount set forth opposite such Lender's name in Schedule 1.1 under the heading "Tranche A Term Loan Commitments" (such amount being referred to herein as such Lender's "Tranche A Term Loan Commitment," and such amounts collectively the "Tranche A Term Loan Commitments"); provided that, notwithstanding anything to the contrary herein, (x) during the Initial Commitment Period only one Borrowing of the Tranche A Term Loan Commitments shall be available to the Borrower, and the amount of such Borrowing shall not exceed $20 million, and (y) upon and after the entry of the Final DIP Order one further Borrowing of the Tranche A Loan Commitments shall be available to the Borrower (in addition to the automatic repayment and refinancing of the Bridge Loan Obligations upon entry of the Final DIP Order in accordance with Section 1.3(f)), and such Borrowing shall not exceed the remaining amount of the Tranche A Term Loan Commitments.

(b) Subject to the terms and conditions of this Agreement and the DIP Order, each Tranche B Lender severally and not jointly agrees to make available to the Borrower a multi-draw term loan facility in an amount not to exceed the amount set forth opposite such Lender's name in Schedule 1.1 under the heading "Tranche B Term Loan Commitments" (such amount being referred to herein as such Lender's "Tranche B Term Loan Commitment" and such amounts collectively the "Tranche B Term Loan Commitments"); provided that, notwithstanding anything to the contrary herein, upon and after the entry of the Final DIP Order, the Tranche B Loan Commitments shall be available to the Borrower in no more than two Borrowings. The Tranche B Term Loans shall only be available after, or simultaneously with, the Borrowing of all of the Tranche A Term Loan Commitments.

(c) Amounts borrowed as Loans which are repaid or prepaid may not be reborrowed.

(d) The Term Loan Commitments shall be reduced (on a ratable basis) as provided in Section 7.2 hereof.

1.2. Evidence of Loans; Notes. The Loans made by each Lender with a Term Loan Commitment is evidenced by this Agreement and, if requested by such Lender, a Term Note (in a form reasonable acceptable to the Lenders) payable to such Lender in an amount equal to the unpaid principal balance of the Loans held by such Lender. The Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain accounts or records of each credit extension hereunder, and each assignment and assumption of a Lender's rights and obligations hereunder that is delivered to the Agent, at the Agent's office in a register, which shall set forth the names and addresses of the Lenders, and the Term Loan Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, and the Agent and the Lenders, shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

1.3. Interest, Fees, and Other Amounts.

(a) Each Loan shall bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to 9.50%; provided that, notwithstanding the foregoing, if such interest rate exceeds the maximum interest rate allowed by applicable law, then the interest rate shall instead be the maximum interest rate allowed by applicable law. Accrued interest on the Loans shall be payable, at the sole option of the Borrower, in cash or in kind, or in a combination of cash and in kind, in arrears, on each Interest Payment Date. At least five Business Days prior to each Interest Payment Date (but not earlier than ten Business Days prior to such Interest Payment Date), the Borrower may furnish to the Agent written notice of its election to pay the accrued and unpaid interest on some or all of the Loans in kind, rather than in cash; provided that any accrued interest payable on the Interest Payment Date for September 2021 shall be paid in kind. If such notice is furnished by the Borrower to the Agent in compliance with the foregoing sentence, the Borrower shall pay the accrued and unpaid interest on the applicable Loans by adding such interest ratably to the principal amount of the applicable Loans. Following any increase in the principal amount of any Loans in accordance with this

Section 1.3(a), such Loans shall bear interest on such increased principal amount from and after the applicable Interest Payment Date.

(b) On each date that Tranche A Lenders advance Tranche A Term Loans, the Borrower shall pay to the Tranche A Lenders, an upfront fee equal to 1.00% of the aggregate Tranche A Term Loan so advanced, which shall be paid from the proceeds of the Loans funded on such date, which upfront fee may, at the option of the Tranche A Lenders, be effected in the form of original issue discount with respect to the Tranche A Term Loans.

(c) On each date that Tranche B Lenders advance Tranche B Term Loans, the Borrower shall pay to the Tranche B Lenders, an upfront fee equal to 1.00% of the aggregate Tranche B Term Loan so advanced, which shall be paid from the proceeds of the Loans funded on such date, which upfront fee may, at the option of the Tranche B Lenders, be effected in the form of original issue discount with respect to the Tranche B Term Loans.

(d) All computations of fees, interest, and other amounts payable under this Agreement shall be made on the basis of a 365-day year and actual days elapsed. Interest, fees, and other amounts, as applicable, shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(e) Automatically, without any action by the Lenders, while any Event of Default exists, the Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the Loans from and after the date of occurrence of such Event of Default, at a rate per annum which is determined by adding 2.00% per annum to the rate then in effect for such Loans. All such interest shall be payable in cash.

(f) Upon entry of the Final DIP Order by the Bankruptcy Court, without the need for delivery of a Notice of Borrowing, any Bridge Loan Obligations shall be deemed automatically, immediately, and irrevocably to have been repaid in full and refinanced by the Borrowings of Tranche A Term Loans on a dollar for dollar basis, and such Bridge Obligations shall be deemed to have been extinguished on such date, subject to the terms and conditions of the Final DIP Order.

(g) Once paid, the fees or any part thereof earned, due, and payable hereunder shall not be refundable under any circumstances (except as expressly provided herein, in the DIP Order or otherwise agreed). All fees earned, due, and payable hereunder shall be paid in U.S. Dollars in immediately available funds and shall be in addition to any reimbursement of the Lenders' reasonable and documented out-of-pocket expenses to the extent reimbursable hereunder.

1.4. Procedure for Borrowing.

(a) The Borrower shall request a Borrowing by written notice delivered to the Agent in the form of a Notice of Borrowing reasonably acceptable to the Agent, which notice must be received prior to 12:00 p.m. (Manila time) on the date which is three Business Days prior to the requested Borrowing date. The Borrower shall be limited to no more than one Borrowing during any two-week period, and no Borrowing shall be in an amount less than $1,000,000. Such Notice of Borrowing shall specify:

(i) the amount of the Borrowing;

(ii) the portion of such Borrowing that consists of a Tranche A Term Loan and Tranche B Term Loan, respectively;

(iii) the requested Borrowing date, which shall be a Business Day; and

(iv) the account designated by the Borrower for disbursement of funds.

(b) Following receipt of a Notice of Borrowing and upon satisfaction of the applicable conditions set forth in Article II, each Lender shall, before 12:00 p.m. (Manila time) on the requested Borrowing date (or such other time mutually agreed to by the Lenders and the Borrower), make its ratable portion of the proposed Borrowing available to the account designated by the Borrower in the applicable Notice of Borrowing, in immediately available funds in Dollars.

1.5. Payments by the Borrower.

(a) The Borrower shall repay (x) the full amount of principal outstanding of the Loans, together with all accrued and unpaid interest thereon and all fees and expenses due and owing hereunder, on the earlier of (i) an Acceleration or (ii) the Maturity Date, and (y) prior to such date, in consecutive quarterly installments on the last Business Day of each three-month period, commencing with the 28th full month after the Petition Date, an amount equal to 11.1% of the Loans outstanding on such date. For the avoidance of doubt, the first quarterly installment hereunder shall be due on January 31, 2024.

(b) All payments (including prepayments) made by or on behalf of the Borrower on account of principal, interest, fees, and other amounts required hereunder shall be made without set-off, recoupment, or counterclaim of any kind, and shall, except as otherwise expressly provided herein, be made to the Agent (for the ratable account of the Persons entitled thereto) at the address for payment (or account information) specified in the signature page hereof in relation to the Agent (or such other address (or account information) as the Agent may from time to time specify in accordance with Section 9.2), and shall be made in Dollars and in immediately available funds, no later than 12:00 p.m. (Manila time) on the date due. All payments received by the Agent after 12:00 p.m. on the date due may be deemed received on the next succeeding Business Day, and any applicable interest or fees shall continue to accrue. The Agent shall promptly distribute to each applicable Lender its pro rata share of such payment in like funds as received by wire transfer to the account designated by each such Lender to the Agent in writing.

(c) If any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(d) Each payment (excluding scheduled interest and amortization payments, which shall be paid as specified herein) made in respect of the Obligations shall be applied in the following order of priority:

(i) first, to any fees or expenses due and owing to the Agent or the Lenders hereunder, until all such fees and expenses have been paid in full;

(ii) second, to accrued and unpaid interest on the Tranche A Term Loans, until all such accrued and unpaid interest has been paid in full;

(iii) third, to the then outstanding principal of the Tranche A Term Loans, until all such outstanding principal has been paid in full;

(iv) fourth, to accrued and unpaid interest on the Tranche B Term Loans, until all such accrued and unpaid interest has been paid in full; and

(v) last, to the then outstanding principal of the Tranche B Term Loans, until all such outstanding principal has been paid in full.

1.6. Optional Prepayments. The Borrower shall not have the right to voluntarily prepay any amount of the Loans, except in connection with an Acceptable Plan.

1.7. Total Loss. Within 15 Business Days after any Insurance proceeds with respect to a Total Loss of any Pledged Aircraft or Pledged Engine are recovered, the Borrower shall segregate such proceeds in a cash collateral account subject to the DIP Liens with such proceeds to be used solely as agreed to by the Lenders; provided that no such segregation of proceeds shall be required to be made with respect to any Pledged Engine if the Borrower provisions a replacement thereof in accordance with Section 4 of Part F of Annex A attached hereto on or before the date on which such segregation of proceeds is otherwise required to be made. Insurance proceeds recovered other than with respect to a Total Loss of any Pledged Aircraft or Pledged Engine shall be retained by the Borrower.

1.8. Conversion of Tranche A Term Loans. The Borrower, in its sole discretion, may elect (the "Tranche A Conversion Election"), pursuant to, and on the effective date of, the Acceptable Plan, to provide notice to the Lenders that all Tranche A DIP Liens shall be released and the Tranche A Term Loans shall be unsecured as of such date; provided that such Tranche A Conversion Election shall only be effective upon the effectiveness of the Tranche B Conversion and the payment in cash of the Agent and Tranche A Lenders' professional and other advisory fees, costs, and expenses contemplated by Section 9.4(a). Following the occurrence of such Tranche A Conversion Election, the Tranche A Term Loans shall continue to be governed in all respects by the terms of this Agreement and the other Loan Documents (except for the Collateral Documents and any provisions herein or in any other Loan Document relating to the Collateral and the Tranche A DIP Liens, which shall be of no further force and effect).

1.9. Conversion of Tranche B Term Loans. The Borrower, in its sole discretion, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, the Tranche B Term Loans and all accrued and unpaid interest thereon, may elect (the "Tranche B Conversion Election"), pursuant to, and on the effective date of, the Acceptable Plan, to provide notice to the Lenders that all Tranche B DIP Liens shall be released and the Tranche B Term Loans (and all accrued and unpaid interest, fees, costs, and expenses thereon (other than professional and other advisory fees, costs, and expenses contemplated by Section 9.4(a), which must be paid in cash)) shall be converted into 79.5% of the common stock of the reorganized

Borrower (collectively, the "Conversion Shares" and such issuance, the "Tranche B Conversion") on such date; provided that:

(a) the exercise of the Tranche B Conversion Election is subject to:

(i) the prior approval of applicable antitrust and other Governmental Authorities;

(ii) if necessary, the expiration or termination of the waiting period under the Hart-Scott-Rodino Act or acts of similar import under Philippine law, in each case to the extent applicable;

(iii) the receipt of all corporate approvals required for the issuance of the Conversion Shares; and

(iv) the exercise or waiver of any and all preemptive rights provided in the Borrower's corporate bylaws or elsewhere; and

(b) in no event shall the Tranche B Conversion result in the acquisition by any Tranche B Lender of common stock in such amounts that would violate any legal requirement that subjects foreign ownership of reorganized PAL or any of its subsidiaries to foreign investment restrictions or the antitrust laws of any jurisdiction; provided that arrangements made by the Tranche B Lenders to transfer any Conversion Shares to Philippine nationals concurrently with the subscription of the Conversion Shares shall be considered for purposes of determining whether the foreign ownership limitations would be violated.

1.10. Termination Date. The Term Loan Commitments shall automatically be reduced to zero and terminate upon the earliest of (A) an Acceleration, (B) the Maturity Date; or (C) the termination of the Term Loan Commitments in accordance with Section 7.2(a) hereof.

ARTICLE II
CONDITIONS PRECEDENT

2.1. Conditions to Effectiveness of Credit Agreement. The effectiveness of this Agreement is subject to satisfaction or waiver by the Lenders of the following conditions:

(a) Credit Agreement. The Lenders and the Agent shall have received a counterpart of this Agreement executed by the Borrower.

(b) Collateral Matters. Subject to Section 4.9, the Agent and the Lenders, shall have (i) received fully executed copies of each Collateral Document, (ii) valid and perfected Liens on the Collateral and each UCC and any other financing statement and each document required by any Collateral Document or any applicable Requirements of Law to be filed, registered, or recorded in order to create in favor of the Agent for the benefit of the Lenders, a valid and perfected Lien on the Collateral required to be delivered pursuant to each Collateral Document, shall be in proper form for filing, registration, or recording, and (iii) received a copy of the certificate evidencing the insurance required to be maintained pursuant to

Part E of Annex A attached hereto in form and substance satisfactory to the Agent and the Lenders.

(c) Approved Budget. The Lenders shall have received 13-week cash flow projections, in form and substance acceptable to the Required Lenders (the "Approved Budget") on or prior to the Closing Date.

(d) DIP Order. The Interim DIP Order shall have been entered by the Bankruptcy Court, shall be in full force and effect, and shall not have been reversed, modified, amended, stayed, or vacated.

(e) Payment of Fees and Expenses. The Borrower shall have reimbursed the Agent and the Lenders for fees, costs, and expenses due and owing pursuant to Section 9.4 (in each case, to the extent invoiced at least one Business Day in advance).

(f) Litigation. Other than the Chapter 11 Cases, there shall be no order or injunction or pending litigation that is not stayed in which there is a reasonable possibility of a decision that would have a Material Adverse Effect and no pending litigation seeking to enjoin the transactions contemplated hereby.

(g) Secretary's Certificate. The Agent shall have received a customary secretary's certificate for the Borrower attaching (i) the Borrower's articles of incorporation or organization or other similar document, certified by the applicable government authority, (ii) the Borrower's bylaws or operating agreement, (iii) the resolutions of the Borrower's board of directors or other appropriate governing body approving and authorizing the execution, delivery, and performance the Loan Documents, and (iv) incumbency specimens.

(h) Restructuring Support Agreements. The Lenders and the Agent shall have received restructuring support agreements, reasonably satisfactory in form and substance to the Lenders (the "Restructuring Support Agreements"), executed by creditors that hold at least two-thirds in amount and one-half in number of general unsecured claims owed by the Borrower and that are entitled to vote to accept or reject the Acceptable Plan, which shall remain in full force and effect and shall not have been terminated by any of the parties thereto.

(i) Other Information. (i) The Agent and the Lenders shall have received all documentation and other information about the Borrower that they reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering laws, including the Patriot Act, and (ii) the Agent and the Lenders shall have received and be satisfied with such other information (financial or otherwise) with respect to the Borrower or the Chapter 11 Case reasonably requested by the Agent or the Lenders, as applicable.

(j) Representations and Warranties. All representations and warranties by the Borrower contained herein or in any other Loan Document shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date (in which event such representation or warranty shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date).

(k) No Default. No Default or Event of Default shall have occurred or shall be continuing or would result after giving effect to this Agreement and the other Loan Documents.

(l) UCC and Lien Searches. The Agent shall have received appropriate UCC and mortgage search results, or their local equivalents, for the Borrower in its jurisdiction of organization and any other jurisdiction reasonably requested by the Lenders.

2.2. Conditions to Each Borrowing. The obligation of each Lender to advance any Loan hereunder is subject to satisfaction or waiver by the Lenders of the following conditions, each as of the date of such Borrowing:

(a) Borrowing Notice. The Agent shall have received a Notice of Borrowing in accordance with Section 1.4(a).

(b) DIP Order; RSA Assumption Order. (x) With respect to any Borrowing during the Initial Commitment Period, the Interim DIP Order shall have been entered by the Bankruptcy Court, shall be in full force and effect, and shall not have been reversed, modified, amended, stayed, or vacated, (y) with respect to any Borrowing following the expiration of the Initial Commitment Period, the Final DIP Order shall have been entered by the Bankruptcy Court, shall be in full force and effect, and shall not have been reversed, modified, amended, stayed, or vacated, and (z) with respect to any Borrowing following entry of the RSA Assumption Order by the Bankruptcy Court, the RSA Assumption Order shall be in full force and effect, and shall not have been reversed, modified, amended, stayed, or vacated.

(c) Representations and Warranties. All representations and warranties by the Borrower contained herein or in any other Loan Document shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of the date of such Borrowing, except to the extent that such representation or warranty expressly relates to an earlier date (in which event such representation or warranty shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date).

(d) No Default. No Default or Event of Default shall have occurred or shall be continuing or would result after giving effect to any Loans.

The request by the Borrower and acceptance by the Borrower of the proceeds of any Loan shall be deemed to constitute, as of the date thereof and the date of such Borrowing, a representation and warranty by the Borrower that the conditions in this Section 2.2 have been satisfied.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and each Lender that the following are, and after giving effect to the funding of any Loan will be, true, correct, and complete:

3.1. Corporate Existence and Power. The Borrower:

(a) is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, organization, or formation, as applicable;

(b) has the power and authority and all governmental licenses, authorizations, Permits, consents, and approvals to own its assets, carry on its business and, subject to the entry of the DIP Order, to execute, deliver, and perform its obligations under the Loan Documents to which it is a party;

(c) is duly qualified and licensed and in good standing, under the laws of each jurisdiction where its ownership, lease, or operation of Property or the conduct of its business requires such qualification or license; and

(d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.2. Corporate Authorization; No Contravention. Subject to the entry of the DIP Order, the execution, delivery, and performance by the Borrower of this Agreement and each other Loan Document shall have been duly authorized by all necessary action, and do not and will not:

(a) contravene the terms of any of the Borrower's Organization Documents;

(b) other than as a result of the commencement of the Chapter 11 Case, conflict with or result in any breach or contravention of, or result in the creation of any Lien under, any document evidencing any contractual obligation to which the Borrower is a party or any order, injunction, writ, or decree of any Governmental Authority to which the Borrower or its Property is subject; or

(c) violate any Requirement of Law binding on the Borrower or its Property, except to the extent that any such violation would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.3. Governmental Authorization; Consents. Subject to the entry of the DIP Order, no material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any other Loan Document except (a) recordings and filings in connection with the Liens granted to the Agent under the Collateral Documents and (b) those obtained or made on or prior to the date hereof.

3.4. Binding Effect. Subject to the entry of the DIP Order, this Agreement and each other Loan Document shall constitute the legal, valid, and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws

affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

3.5. Litigation. Except for audits conducted by taxing authorities and any related actions, suits, proceedings, claims, or disputes, or claims and disputes arising in connection with the Chapter 11 Case, there are no actions, suits, proceedings, claims, or disputes pending, or to the best knowledge of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against the Borrower or any of its Properties which purport to affect or pertain to this Agreement, any other Loan Document, or any of the transactions contemplated hereby or thereby.

3.6. Margin Regulations. The Borrower is not engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

3.7. Regulated Entities. None of the Borrower, any Person controlling the Borrower, or any controlled subsidiary of the Borrower, is (a) an "investment company" within the meaning of the Investment Company Act of 1940 or (b) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other federal or state statute, rule, or regulation limiting its ability to incur indebtedness or perform its Obligations under the Loan Documents.

3.8. Ownership and Possession of Property. The Borrower (a) has good and valid title to the Collateral as is necessary or used in the ordinary conduct of its business, (b) is in possession of the Pledged Aircraft and Pledged Engines, and (c) represents and warrants that Schedule 3.8 sets forth the (i) owner of each Pledged Aircraft and Pledged Engine, (ii) manufacturer, model, and serial number of each Pledged Aircraft and Pledged Engine, (iii) state of registration and registration number (if applicable) of each Pledged Aircraft and Pledged Engine, (iv) the habitual base of each Pledged Aircraft and Pledged Engine, (v) any lease agreements to which each Pledged Aircraft and Pledged Engine is subject, (vi) the Pledged Aircraft to which each Pledged Aircraft Engine relates (such Pledged Aircraft in context of each such Pledged Aircraft Engine, the "Related Pledged Aircraft", and each such Pledged Aircraft Engine in context of such Pledged Aircraft, the "Related Pledged Aircraft Engines") and if not currently installed on the Related Pledged Aircraft, the location of such Pledged Aircraft Engine or, if applicable, the Host Aircraft on to which such Pledged Aircraft Engine is installed, and (vii) the Host Aircraft or the Pledged Aircraft, as applicable, on to which each Pledged Spare Engine is installed or if not installed, the location of such Pledged Spare Engine.

3.9. Full Disclosure. None of the representations or warranties made by the Borrower in the Loan Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in each exhibit, report, statement, or certificate furnished by or on behalf of the Borrower in connection with the Loan Documents (including the offering and disclosure materials, if any, delivered by or on behalf of the Borrower to the Agent or the Lenders prior to the date hereof), contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered; provided that with respect to any projections, the Borrower represents only

that such projections were prepared in good faith based upon estimates, information, and assumptions believed to be reasonable.

3.10. Sanctions, Foreign Assets Control Regulations, and Anti-Money Laundering. To the extent applicable, the Borrower and each controlled subsidiary of the Borrower is in compliance in all material respects with all economic sanctions laws, executive orders and implementing regulations of the United States, including but not limited to those promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as well as sanctions measures, laws, and regulations of the United Nations Security Council, the European Union or any member state thereof, and the United Kingdom, and any other relevant jurisdiction ("Sanctions"), and all applicable anti-money laundering and counter-terrorism financing laws, including the U.S. Money Laundering Control Act, the Bank Secrecy Act and all regulations issued pursuant to it, and any other similar laws to which the Borrower and any of its controlled subsidiaries may be subject. None of the Borrower or any of its controlled subsidiaries, or (to the Borrower's knowledge) any of their respective directors, officers, employees, or agents is organized, resident, or located in a country or territory that is itself the target of comprehensive or country-wide sanctions at any relevant time (currently Cuba, Iran, Syria, North Korea, and the Crimea region), or is otherwise the subject or target of any Sanctions or is owned or controlled by one or more Person that are the subject or target of any Sanctions, including but not limited to (a) a Person designated by the U.S. government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. Person cannot deal with or otherwise engage in business transactions, (b) a Person who is otherwise the target of U.S. economic sanctions laws such that a U.S. Person cannot deal or otherwise engage in business transactions with such Person, or (c) a Person controlled by (including by virtue of such person being a director or owning voting shares or interests), or who acts, directly or indirectly, for or on behalf of, any person or entity on the SDN List or a foreign government that is the target of U.S. economic sanctions prohibitions such that the entry into, or performance under, this Agreement or any other Loan Document would be prohibited under U.S. law. No part of the proceeds will be used directly or indirectly for the purpose of financing, or with respect to, any activities or business of or with any country or person that is the subject or target of Sanctions.

3.11. Foreign Assets Control Regulations. The Borrower and each of its controlled subsidiaries are in compliance with the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto. No part of the proceeds of any Loan will be used directly or indirectly for any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain, or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977.

ARTICLE IV
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that, so long as any Lender shall have any Term Loan Commitment hereunder, or any Loan shall remain unpaid, unsatisfied or outstanding:

4.1. Notices; Other Information.

(a) The Borrower shall notify promptly the Agent and each Lender following (and in no event later than three Business Days after a Responsible Officer becomes aware thereof) the occurrence or existence of any Default, Event of Default, Total Loss, or Material Adverse Effect.

(b) The Borrower shall promptly forward or make available to the Agent and the Lenders any such business, financial, corporate affairs and other information regarding the Borrower, its subsidiaries, and the Collateral as the Agent or any Lender may from time to time reasonably request. For the avoidance of doubt, each Lender may share any such information, on a confidential basis, with any of such Lender's affiliates, employees, and financing sources.

4.2. Financial Reporting Requirements.

(a) As soon as available, but in any event not later than the 90th day following the end of each fiscal year of the Borrower ending on or after December 31, 2021, the Borrower shall deliver to the each Lender a copy of the audited consolidated balance sheet of the Borrower and its consolidated subsidiaries as at the end of such year and the related consolidated statements of operations, changes in common stockholders' equity and cash flows for such year, setting forth in each case, in comparative form the figures for and as of the end of the previous year.

(b) As soon as available, but in any event not later than the 45th day following the end of each quarterly period in each fiscal year of the Borrower, the Borrower shall deliver to each Lender a copy of the unaudited consolidated balance sheet of the Borrower and its consolidated subsidiaries as at the end of such quarter and the related unaudited consolidated statements of operations and cash flows of the Borrower and its consolidated subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case, in comparative form the figures for and as of the corresponding periods of the previous year.

(c) As soon as available, but in any event not later than the 45th day following the end of each fiscal month (other than March, June, September, and December) of the Borrower, deliver to each Lender a copy of the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such month and the related unaudited consolidated statements of operations and cash flows of the Borrower and its consolidated Subsidiaries for such month and the portion of the fiscal year through the end of such month, setting forth in each case, in comparative form the figures for and as of the corresponding periods of the previous year, in a form customarily prepared by the Borrower, excluding, for the avoidance of doubt, any footnotes thereto.

(d) The Borrower shall provide to the Lenders on a weekly basis (commencing on the first Friday after the Closing Date), a report of (i) the Borrower's cash position and (ii) a summary reconciliation of the actual use of proceeds of any previous Borrowing as compared to the anticipated use of proceeds of such Borrowings as set forth in the

Approved Budget, in each case for the week period which ended on the immediately preceding Friday.

4.3. Compliance with Laws; Maintenance of Existence. The Borrower (a) shall comply with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business, except where the failure to comply would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (b) shall preserve, renew, and keep in full force and effect its organizational existence, and (c) shall take all reasonable action to maintain all necessary or desirable governmental licenses, authorizations, Permits, consents, and approvals to own its assets and carry on its business.

4.4. Use of Proceeds. Subject to the terms of the DIP Order, the proceeds of the Loans shall be used solely (a) to repay in full and refinance the Bridge Loan Obligations, (b) to pay reasonable fees, costs, and expenses of the Lenders as contemplated by the Loan Documents, (c) to provide working capital and for other general corporate purposes of the Borrower and, to the extent authorized by the Bankruptcy Court, its non-Debtor affiliates, and (d) to pay administration costs of the Chapter 11 Case.

4.5. Further Assurances. Without any further order of the Bankruptcy Court, promptly upon request by the Agent (and the Agent shall make such request upon the direction of the Lenders), the Borrower shall take such additional actions and execute such documents as the Agent or the Lenders may reasonably require from time to time in order (a) to carry out more effectively the purposes of this Agreement or any other Loan Document, (b) to subject to the Liens created by any of the Collateral Documents all of the Collateral, (c) to perfect and maintain the validity, effectiveness, and priority of any of the Collateral Documents and the Liens created thereby, and (d) to better assure, convey, grant, assign, transfer, preserve, protect, and confirm to the Agent and the Lenders the rights granted or now or hereafter intended to be granted to the Agent or the Lenders under any Loan Document.

4.6. Bankruptcy Matters.

(a) The Borrower shall cause to occur or comply, as applicable, with each of the following (collectively, the "Milestones"):

(i) no more than 20 days after the Petition Date, the Borrower shall have filed a motion seeking entry of (A) the DIP Order and (B) one or more final orders authorizing the Borrower to assume all executed Restructuring Support Agreements (collectively, the "RSA Assumption Order"), in each case, in form and substance acceptable to the Lenders;

(ii) no later than 60 days after the Petition Date, (A) the Final DIP Order, and (B) the RSA Assumption Order each shall have been entered by the Bankruptcy Court;

(iii) no later than 60 days after the Petition Date, the Borrower shall have filed a plan of reorganization materially consistent with the Restructuring Support Agreements (an "Acceptable Plan"), a related disclosure statement (the "Disclosure

Statement"), and a motion for a hearing on the Acceptable Plan and the Disclosure Statement, in each case reasonably acceptable to the Lenders;

(iv) no later than 120 days after the Petition Date, solicitation on the Acceptable Plan shall have been completed;

(v) no later than 150 days after the Petition Date, the Bankruptcy Court shall have entered a final order confirming the Acceptable Plan (the "Confirmation Order") and a final order approving the Disclosure Statement (the "Disclosure Statement Order"), in each case in form and substance acceptable to the Lenders; and

(vi) no later than 180 days after the Petition Date, the effective date of the confirmed Acceptable Plan shall have occurred.

(b) The Borrower shall comply with the DIP Order in all material respects.

(c) The Borrower shall comply with the terms of the Restructuring Support Agreements in all material respects.

(d) The Borrower shall deliver to the Agent and the Lenders (i) as soon as practicable in advance of filing with the Bankruptcy Court, the proposed DIP Order and pleadings proposed to be filed seeking approval of the Loans (which, in each case, must be in form and substance reasonably satisfactory to the Agent and the Lenders prior to being filed), any other material filings proposed to be filed in the Chapter 11 Case, any plan of reorganization or liquidation, and any disclosure statement related to such plan; and (ii) reasonable access to information (including historical information) and senior management personnel.

4.7. OFAC; Anti-Money Laundering. The Borrower shall comply with the laws, regulations, and executive orders referred to in Sections 3.8 and 3.9.

4.8. Undertakings with respect to Collateral. The Borrower shall maintain, use, and operate the Collateral in accordance with the terms of Annex A, and in all cases, in accordance with the applicable Collateral Documents.

4.9. Conditions Subsequent. The Borrower shall:

(a) within five days from the date of this Agreement, provide the Agent with a copy of the current certificate of registration in respect of each Pledged Aircraft;

(b) within 30 days from the date of this Agreement, provide the Agent with (i) a duly executed and notarized original of each Pledged Aircraft Mortgage Agreement and Pledged Engine Mortgage Agreement, (ii) a certified true copy of a new certificate of registration for each Pledged Aircraft issued by the Aviation Authority noting the applicable Pledged Aircraft Mortgage Agreement and the DPOA, and (iii) evidence that nameplates have been affixed in accordance with Part 2 of Annex A attached hereto;

(c) within 30 days from the date of this Agreement, provide the Lenders with evidence satisfactory to the Lenders (including a certificate or certificates of insurance with

respect to the Insurances) that the Insurances are and will continue in full force for the balance of the policy year (subject in the case of War Risks policies to usual termination or cancellation rights);

(d) within 30 days from the date of this Agreement, provide the Agent with a certificate of good standing from the applicable government authority certified as of a recent date; and

(e) within the earlier of (i) 30 days from the date of this Agreement and (ii) entry of the Final DIP Order, provide the Agent with a duly executed copy of the Mabuhay Miles Security Agreement.

ARTICLE V
NEGATIVE COVENANTS

The Borrower covenants and agrees that, so long as any Lender shall have any Term Loan Commitment hereunder, or any Loan shall remain unpaid, unsatisfied, or outstanding:

5.1. Limitation on Liens. Except as provided in the DIP Order then in effect, the Borrower shall not, directly or indirectly, make, create, incur, assume, or suffer to exist any Lien upon any of its property or assets, including the Collateral, other than Permitted Liens, without the prior written consent of the Required Lenders.

5.2. Margin Stock; Use of Proceeds. The Borrower shall not, and shall not suffer or permit any of its controlled subsidiaries to, use any portion of the Loan proceeds, directly or indirectly, to purchase or carry Margin Stock or repay or otherwise refinance indebtedness of the Borrower or others incurred to purchase or carry Margin Stock, or otherwise in any manner which is in contravention of any Requirement of Law or in violation of any Loan Document.

5.3. Bankruptcy Matters.

(a) The Borrower shall not directly or indirectly, seek, consent to, incur, assume, create, permit, or suffer to exist (i) any material modification or amendment or stay or vacation to the DIP Order, without the prior written consent of the Agent and the Lenders; (ii) any Bankruptcy Court order materially impacting this financing or the Collateral in the Chapter 11 Case that is not, in form and substance, reasonably satisfactory to the Agent and the Lenders; (iii) a claim for any administrative expense or unsecured claim which is *pari passu* with or senior to the Superpriority Claim of the Agent and the Lenders in respect of the Obligations, except for the Carve-Out and, with respect to the Superpriority Claim arising under the Tranche B Term Loan facility, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims (as defined in the DIP Order); or (iv) any Lien on any Collateral having a priority equal or senior to the Liens in favor of the Agent and the Lenders in respect of the Obligations (subject to the Carve-Out and Permitted Senior Liens) and, with respect to the Tranche B DIP Liens, the Liens securing the Bridge Loan Obligations and the Adequate Protection Liens (as defined in the DIP Order).

(b) The Borrower shall not make any expenditure except of the type and for the purposes provided for in the Approved Budget.

(c) The Borrower shall not take any action reasonably expected to frustrate (A) the confirmation of the Acceptable Plan and/or (B) the effectiveness of the Acceptable Plan, in each case without the prior written consent of the Required Lenders.

5.4. General Negative Covenants. The Borrower hereby covenants and agrees that, on and after the effective date of this Agreement and until the date that the Commitments hereunder have terminated and the principal of and interest on each of the Loans and all fees, expenses, and other amounts payable under any Loan Document (other than contingent indemnification obligations for which no claim or demand has been made) have been satisfied in full, in each case except as contemplated by the Restructuring Support Agreements or the Acceptable Plan, without the prior written consent of the Required Lenders (which may be evidenced by an email from the Agent's counsel), the Borrower will not, and will not permit any of its controlled subsidiaries to:

(a) make a public announcement in respect of, enter into any agreement or letter of intent with respect to, attempt to consummate or support any third party's attempt to consummate any transaction or agreement that would adversely impact the Loans or consummation of the Acceptable Plan;

(b) create, assume, incur, or suffer to exist any indebtedness other than in the ordinary course of business;

(c) assume, assign, or reject pursuant to section 365 of the Bankruptcy Code any material contract;

(d) increase any termination or severance entitlement whatsoever or pay any termination or severance pay to executives of the Borrower, or any of such subsidiaries;

(e) change its name, its fiscal year, amalgamate, consolidate with or merge into, dispose of all or substantially all of its assets, or enter into any similar transaction with any other entity;

(f) engage in any business other than the businesses engaged in by the Borrower on the date hereof and those reasonably incidental thereto Lenders;

(g) other than of a type consistent with intercompany arrangements existing on the date hereof, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any affiliate on terms that are less favorable to the Borrower or such subsidiary, as the case may be, than those that might be obtained at the time from Persons who are not such an affiliate;

(h) seek or consent to a sale of any of the Collateral;

(i) enter into after the date hereof or allow to exist any contractual obligations (other than this Agreement) that limit the ability the Borrower to create, incur, answer, or suffer

to exist Liens on the Collateral in favor of the Lenders with respect to the Loans and the Obligations hereunder;

(j) (A) divide into two or more Persons pursuant to a "plan of division" or similar method, or (B) create, or reorganize into, one or more Persons, in each case, as contemplated under the laws of any jurisdiction; and

(k) file a plan of reorganization or any related documents, including a disclosure statement and any plan supplement.

ARTICLE VI
SUPERPRIORITY CLAIMS, COLLATERAL, ETC.

6.1. Grant of Security.

(a) To secure the prompt payment and performance of any and all Obligations in respect of the Tranche A Term Loans, the Borrower hereby pledges, assigns, and grants to the Agent, for the benefit of the Tranche A Lenders, pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, effective as of the date of entry of the Interim DIP Order, a valid and automatically perfected first priority Lien and security interest in the Collateral (the "Tranche A DIP Liens"). The Tranche A DIP Liens granted herein shall be junior and subordinate in all respects to, but only to, (i) the Carve-Out and (ii) any Permitted Senior Liens.

(b) To secure the prompt payment and performance of any and all Obligations in respect of the Tranche B Term Loans, the Borrower hereby pledges, assigns, and grants to the Agent, for the benefit of the Tranche B Lenders, pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code, effective as of the date of entry of the Interim DIP Order, a valid and automatically perfected second priority Lien and security interest in the Collateral (the "Tranche B DIP Liens" and, together with the Tranche A DIP Liens, the "DIP Liens"). The Tranche B DIP Liens granted herein shall be junior and subordinate in all respects to, but only to, (a) the Carve-Out, (b) any Permitted Senior Liens, (c) the Tranche A DIP Liens, (d) the liens securing the Bridge Loan Obligations, and (e) the Adequate Protection Liens (as defined in the DIP Order).

6.2. Administrative Priority. The Borrower agrees that all Obligations hereunder shall constitute an allowed Superpriority Claim against it, pursuant to section 364(c)(1) of the Bankruptcy Code; provided that such Superpriority Claims shall be junior and subordinate in all respects to, but only to, the Carve-Out, and, in the case of Superpriority Claims with respect to the Tranche B DIP Obligations, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims (as defined in the DIP Order).

6.3. No Filings Required. The DIP Liens shall be deemed valid and perfected and duly recorded by entry of the Final DIP Order. Except for the registrations set forth in Section 4.8 and, with respect to the Mabuhay Miles Security Agreement, a chattel mortgage registration with the Register of Deeds in Pasay City, Philippines, neither the Agent nor the Lenders shall be required to file any financing statements, mortgages, notices of Lien or similar instruments in any jurisdiction or filing office or to take any other action in order to validate or perfect the Liens granted by or pursuant to the Final DIP Order or this Agreement.

6.4. No Discharge; Survival of Claims. The Borrower agrees that the Obligations shall not be discharged by the entry of an order confirming a plan of reorganization or liquidation and hereby waives any such discharge, unless all Term Loan Commitments have been terminated and the Obligations (other than contingent indemnity or reimbursement Obligations for which no claim has been asserted) have been indefeasibly paid in full in cash, or otherwise satisfied pursuant to Sections 1.8 and 1.9 hereof on or before the effective date of such plan.

6.5. Prohibition on Surcharge; Etc. Subject to entry of the Final DIP Order, no Person shall be permitted to surcharge the Collateral under section 506(c) of the Bankruptcy Code, nor shall any costs or expenses whatsoever be imposed against the Collateral, except for the Carve-Out. Until the termination of this Agreement or the dismissal of the Chapter 11 Case, the Bankruptcy Court will retain jurisdiction over the Collateral for the purpose of enforcing this Article VI.

6.6. Marshalling Obligations. Subject to entry of the Final DIP Order, the Agent and the Lenders shall not be subject to the equitable doctrine of marshalling. The Agent and the Lenders shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and, subject to entry of the Final DIP Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the Agent or the Lenders with respect to the proceeds, products, offspring or profits of any of the Collateral.

6.7. Subordination. Each Tranche B Lender agrees that, until the indefeasible payment in full in cash, or other treatment acceptable to the Tranche A Lenders, of all Obligations (other than contingent indemnity or reimbursement Obligations for which no claim has been asserted) owed to the Tranche A Lenders, and except as otherwise set forth in this Agreement:

(a) The Tranche B DIP Lien shall be subordinate to the Tranche A DIP Lien;

(b) It shall not, directly or indirectly, (i) exercise or seek to exercise (or support any other Person in doing the same) any rights or remedies solely with respect to any Collateral (including the exercise of any right of setoff or recoupment) or institute (or support any other Person in doing the same) any action or proceeding with respect to such rights or remedies; (ii) contest, protest, or object to (or support any other Person in doing the same) any foreclosure proceeding or action brought by the Agent, on behalf of the Tranche A Lenders, or any other exercise by the Agent, on behalf of the Tranche A Lenders, or the Tranche A Lenders of any rights and remedies relating to the Collateral; or (iii) object to, contest, or oppose (or support any other Person in doing the same) the forbearance by the Agent or the Tranche A Lenders from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to Collateral;

(c) The Agent and the Tranche A Lenders shall have the exclusive right to enforce any and all rights, exercise remedies (including set-off and recoupment and the right to credit bid any amount of its debt) and make determinations regarding the release, management, enforcement, disposition, or restrictions with respect to the Collateral, in each case in the exercise of its sole and absolute discretion, without any consultation with, notice to or the consent of the Tranche B Lenders;

(d) It shall not take or receive, directly or indirectly, in cash or other property or by setoff, counterclaim or in any other manner (whether pursuant to any enforcement, collection, execution, levy or foreclosure proceeding or otherwise), any Collateral or any proceeds of Collateral, in each case in connection with the exercise of any right or remedy (including set off), if any, with respect to any Collateral (or in respect of any Collateral in the event of the occurrence of any bankruptcy proceeding with respect to the Borrower);

(e) In the event that it receives any payment or distribution in breach of this Agreement, such payment or distribution shall not be commingled with any asset of such Tranche B Lender and shall be held in trust by such Tranche B Lender for the benefit of, and shall be promptly paid over and delivered to, the Agent for application in accordance with this Agreement; and

(f) It shall not have the right to rehypothecate, use, borrow, lend, pledge, or sell the Collateral.

ARTICLE VII
EVENTS OF DEFAULT

7.1. Events of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. The Borrower fails to pay when and as required to be paid herein, any amount of any Loan within three Business Days from the date that such amount has become due;

(b) Representation or Warranty. Any representation, warranty or certification by or on behalf of the Borrower made or deemed made herein, in any other Loan Document, or which is contained in any certificate, document, or financial or other statement by any such Person, or their respective Responsible Officers, furnished at any time under this Agreement, or in or under any other Loan Document, shall prove to have been incorrect in any material respect (without duplication of other materiality qualifiers contained therein) on or as of the date made or deemed made.

(c) Covenant Default. The Borrower shall default in the observance or performance of any agreement contained in Section 4.6 or Article V of this Agreement.

(d) Other Covenant Defaults. The Borrower fails to perform or observe any term, covenant or agreement contained in this Agreement (other than as provided in paragraphs (a) through (c) of this Section 7.1) or any other Loan Document, and such default shall continue unremedied for a period of ten days after the earlier to occur of (x) the date upon which a Responsible Officer of the Borrower becomes aware of such default and (y) the date upon which written notice thereof is given to the Borrower by the Agent, at the direction of the Lenders;

(e) Bankruptcy Defaults. The occurrence of any of the following in the Chapter 11 Case:

(i) the failure to meet any of the Milestones;

(ii) any Restructuring Support Agreement is terminated or ceases to be in full force and effect and results, when combined with any other Restructuring Support Agreements that have otherwise ceased to be in full force and effect as of such termination, in Restructuring Support Agreements then in full force and effect failing to r creditors that hold at least two-thirds in amount and one-half in number of general unsecured claims owed by the Borrower and that are entitled to vote to accept or reject the Acceptable Plan;

(iii) other than in connection with the payment in full or other satisfaction or refinancing of the Obligations, the filing of any motion, taking of any action or the filing of any reorganization or liquidation plan or disclosure statement in the Chapter 11 Case by the Borrower (A) to obtain financing under section 364(c) or (d) of the Bankruptcy Code that is senior to or *pari passu* with the financing provided under this Agreement, (B) to grant any Lien upon or affecting any Collateral that is senior to or *pari passu* with the Liens granted under the Collateral Documents, (C) to obtain administrative expense priority that is senior to or *pari passu* with the Obligations, except as expressly permitted in the DIP Order, or (D) that is otherwise materially adverse to the rights and remedies granted to the Agent or the Lenders hereunder or under the DIP Order;

(iv) this Agreement, any of the other Loan Documents or the DIP Order for any reason ceases to be in full force and effect or is declared to be null and void by a court of competent jurisdiction, or the Borrower shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Borrower or such Person) any other Person's motion to, disallow in whole or in part the Agent's or the Lenders' claims in respect of the Obligations or to challenge the validity of any portion of the Loan Documents, the Loans or the Obligations, or enforceability of the same, or which seeks to void, limit, subordinate or otherwise adversely affect any payment pursuant to the Loan Documents or the DIP Orders;

(v) the filing by the Borrower of a motion or other pleading seeking entry of an order, or the Bankruptcy Court shall enter any order, revoking, reversing, staying, vacating, rescinding, or materially modifying, supplementing, or amending the DIP Order currently in effect, the Disclosure Statement Order, or the Confirmation Order, in each case without the prior written consent of the Required Lenders;

(vi) the Bankruptcy Court shall enter any order (which has not been reversed or vacated within five days) (A) appointing a chapter 11 trustee under section 1104 of the Bankruptcy Code in the Chapter 11 Case or (B) appointing an examiner with enlarged powers (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106(b) of the Bankruptcy Code in the Chapter 11 Case or otherwise;

(vii) the filing by the Borrower or any controlled subsidiary thereof of a motion or other pleading seeking entry of an order dismissing the Chapter 11 Case or converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code; or

(viii) an order is entered dismissing the Chapter 11 Case, or converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code;

(ix) the entry of a final non-appealable order in the Chapter 11 Case (A) charging any of the Collateral under section 506(c) of the Bankruptcy Code against the Agent or the Lenders; or (B) avoiding, limiting, modifying, subordinating, or recharacterizing any of the Obligations or requiring disgorgement by the Lenders of any amounts received in respect of the Obligations;

(x) payment by the Borrower of prepetition debt (other than as approved by the Bankruptcy Court and as otherwise contemplated by this Agreement, the DIP Order, the Restructuring Support Agreements, the Acceptable Plan, or with the prior written consent of the Required Lenders (which may be evidenced by an email from the Agent's counsel);

(xi) without the prior written consent of the Required Lenders, (A) if a plan of reorganization or liquidation is filed by the Borrower in the Chapter 11 Case, or an order shall be entered by the Bankruptcy Court confirming any plan in the Chapter 11 Case, that is not an Acceptable Plan, or (B) the Borrower withdraws any Acceptable Plan after having been filed in the Chapter 11 Case; or

(xii) any motion for any of the orders described in clauses (ii) through (xi) above shall be made by a Person other than the Borrower, the Agent, or any Lender, and such application is not being diligently contested by the Borrower in good faith.

(f) Collateral. Any material provision of any Collateral Document shall for any reason cease to be valid and binding on or enforceable against the Borrower or the Borrower shall so state in writing or shall bring an action to limit its obligations or liabilities thereunder; or any Collateral Document (together with the DIP Order) shall for any reason (other than pursuant to the terms thereof) cease to create a valid Lien on the Collateral purported to be covered thereby; or the Tranche A DIP Lien shall for any reason cease to be a perfected and senior priority Lien, subject only to the Carve-Out and Permitted Senior Liens; or the Tranche B DIP Lien shall for any reason cease to be a perfected and junior priority Lien, subject only to the Carve-Out, Permitted Senior Liens, the Tranche A DIP Lien, the Liens securing the Bridge Loan Obligations, and the Adequate Protection Liens (as defined in the DIP Order).

7.2. Remedies. Except in the case of clause (a) below which shall require no prior written notice, on not less than five Business Days' prior written notice by the Agent to counsel for the Borrower, the Office of the United States Trustee and counsel to any official committee of unsecured creditors appointed in the Chapter 11 Case of the occurrence and continuance of an Event of Default and without any further order of the Bankruptcy Court, the Agent may, and at the direction of the Required Lenders shall:

(a) Declare, on a pro rata basis, all or any portion of the Term Loan Commitments to be suspended or terminated, whereupon such Term Loan Commitments shall forthwith be suspended or terminated;

(b) Declare all or any portion of the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Documents to be immediately due and payable (such event being referred to herein as an "Acceleration") without presentment, demand, protest or (except as provided above) other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) Exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents, the DIP Order or applicable law, in each case, without further order of or application or motion to the Bankruptcy Court, and without restriction or restraint by any stay under sections 362 or 105 of the Bankruptcy Code.

The Borrower shall not seek to enjoin, hinder, delay or object to the Agent's exercise of rights and remedies in accordance with this Agreement, and at any proceeding with respect to the Agent's exercise of rights and remedies, the Borrower shall not be entitled to raise any substantive objections, other than to challenge the occurrence of the relevant Event of Default.

7.3. Rights Not Exclusive. The rights provided for in this Agreement are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE VIII
THE AGENT

8.1. Authorization and Action.

(a) Each Lender hereby irrevocably appoints Buona Sorte Holdings, Inc. to act as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof and thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of this Article are solely for the benefit of the Agent and the Lenders, and neither the Borrower nor any other Person shall have rights as a third party beneficiary of any of such provisions.

8.2. The Agent Individually.

(a) Any Person serving as the Agent hereunder who is also a Lender shall have the same rights and powers in its capacity as a Lender and may exercise the same as though it were not the Agent. Each such Person and its affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or an affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender acknowledges that the Agent and its affiliates are engaged in a wide range of financial activities and businesses and may engage in such activities with or on behalf of the Borrower or its affiliates. The Lenders acknowledge that, pursuant to such activities, the Agent or its affiliates may receive information regarding the Borrower or any of its

affiliates (including information that may be subject to confidentiality obligations in favor of such Borrower or affiliate) and acknowledge that the Agent shall not be under any obligation to provide such information to them.

8.3. Duties of the Agents: Exculpatory Provisions.

(a) The Agent's duties hereunder and under the other Loan Documents are solely mechanical and administrative in nature, and the Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise upon the written direction of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose it or any of its affiliates to liability or that is contrary to any Loan Documents or applicable law; and

(iii) except as expressly set forth herein and in the other Loan Documents, shall not have any duty to disclose or be liable for the failure to disclose, any information relating to the Borrower or any of their affiliates that is communicated to or obtained by the Agent or any of its affiliates in any capacity.

(b) The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.1 or elsewhere herein) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment, in connection with its duties expressly set forth herein. The Agent shall not be deemed to have knowledge of any Default or the event or events that give or may give rise to any Default unless and until written notice describing such Default and such event or events is given to the Agent by the Borrower or any Lender.

8.4. Reliance by the Agent.

(a) The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document, or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of any Loan that by its terms must be fulfilled to the satisfaction of a Lender, the

Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants, or experts.

(b) The Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders (or such greater number of the Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders; provided that the Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or applicable law.

8.5. Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Documents by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Persons. Each such sub-agent and the Related Persons of the Agent and each such sub-agent shall be entitled to the benefits of all provisions of this Article VIII (among other relevant provisions of this Agreement) and (as though such sub- Agents were the Agent under the Loan Documents) as if set forth in full herein with respect thereto; provided that the Agent shall not be responsible for the negligence or misconduct of any sub-agents.

8.6. Resignation of the Agent. The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor, which shall be a commercial bank or financial institution reasonably acceptable to the Required Lenders. If no such successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after notice was given, then the Agent may (but shall not be obligated to) appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on such effective date and (a) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) all payments, communications and determinations provided to be made by, to or through the retiring Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the

retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article shall continue in effect for the benefit of such retiring Agent, its sub-agents, and their respective Related Persons in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent under this Agreement. Upon resignation of the Agent, the fees paid to the Agent and the successor Agent shall be paid pro rata for the applicable years.

8.7. Non-Reliance on the Agent and Other Lenders.

(a) Each Lender confirms to the Agent, each other Lender and each of their respective Related Persons that it (i) possesses such knowledge and experience in financial and business matters that it is capable, without reliance on the Agent, any other Lender or any of their respective Related Persons, of evaluating the merits and risks (including tax, legal, regulatory, accounting and other financial matters) of entering into this Agreement, making Loans and other extensions of credit hereunder and under the other Loan Documents and in taking or not taking actions hereunder and thereunder, (ii) is financially able to bear such risk, and (iii) has determined that entering into this Agreement and making Loans and other extensions of credit hereunder and under the other Loan Documents is suitable and appropriate for it.

(b) Each Lender acknowledges that it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents and that it has, independently and without reliance upon the Agent or any other Lender or any of their respective Related Persons and based on such documents and information, as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Persons and based on such documents and information as it shall from time to time deem appropriate, continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents, including:

(i) the financial condition, status, and capitalization of the Borrower;

(ii) the legality, validity, effectiveness, adequacy, or enforceability of this Agreement and each other Loan Documents and any other agreement, arrangement, or document entered into, made or executed in anticipation of, under, or in connection with any Loan Documents;

(iii) determining compliance or non-compliance with any condition hereunder to the making of Loans; and

(iv) the adequacy, accuracy, and/or completeness of any of the information delivered by the Agent, any other Lender or by any other Person under or in connection with this Agreement or any other Loan Documents, the transactions contemplated by this Agreement and the other Loan Documents or any other agreement,

arrangement or document entered into, made or executed in anticipation of, under or in connection with any Loan Documents.

8.8. Indemnification. Each Lender severally agrees to indemnify and hold harmless the Agent (to the extent not promptly reimbursed by the Borrower) from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent under the Loan Documents (collectively, the "Indemnified Costs"); provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction; provided that, any act taken with the consent or in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Loan Documents) shall be deemed to not constitute gross negligence or willful misconduct for purposes of this Agreement. Without limitation of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its ratable share of any costs and expenses (including reasonable fees and disbursements of counsel) payable by the Borrower hereunder, to the extent that the Agent is not promptly reimbursed for such costs and expenses by the Borrower. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Costs, this Section 8.8 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person and whether or not the Agent is a party to such investigation, litigation or proceeding. Without prejudice to the survival of any other agreement of any Lender hereunder, the agreement and obligations of each Lender contained in this Section 8.8 shall survive the payment in full of principal, interest and all other amounts payable hereunder and under the other Loan Documents.

ARTICLE IX
MISCELLANEOUS

9.1. Amendments and Waivers.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by the Borrower therefrom, shall be effective unless the same shall be in writing and signed by the Agent, the Required Lenders and the Borrower, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; provided that no amendment or waiver shall:

(i) reduce or forgive the amount or extend the scheduled date of maturity of any Loan or reduce the stated rate of any interest or fee payable hereunder (other than as a result of any waiver of the applicability of any post-default increase in interest rate) or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Lender's Term Loan Commitment or change the currency in which any Loan is payable, in each case without the consent of each Lender directly and adversely affected thereby (it being understood that waivers or modifications

of conditions precedent, covenants, Defaults or Events of Default shall not constitute an increase of the Term Loan Commitment of any Lender);

(ii) amend, modify, or waive any provision of this Section 9.1(a) or reduce the percentage specified in the definition of "Required Lenders" or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, in each case without the written consent of all the Lenders; or

(iii) release all or substantially all of the value of all or substantially all of the Collateral, in each case without the consent of all of the Lenders, except as expressly permitted hereby or by the DIP Order.

(b) No amendment, waiver, or consent to this Agreement or any other Loan Document shall become effective prior to delivery of a copy of such amendment, waiver, or consent to the Lenders.

(c) The parties hereto shall be permitted to amend this Agreement and the other Loan Documents without further approval or order of the Court to the extent provided in the DIP Order.

9.2. Notices.

(a) Addresses. All notices and other communications required or expressly authorized to be made by this Agreement shall be given in writing or by Electronic Transmission, unless otherwise expressly specified herein, and addressed to the address set forth on the applicable signature page hereto.

(b) Effectiveness. All communications described in clause (a) above and all other notices, demands, requests, and other communications made in connection with this Agreement shall be effective and be deemed to have been received (i) if delivered by hand, upon personal delivery, (ii) if delivered by overnight courier service, one Business Day after delivery to such courier service, (iii) if delivered by mail, three Business Days after deposit in the mail, (iv) if by facsimile transmission, upon sender's receipt of confirmation of successful transmission, and (v) if by electronic mail, upon successful delivery.

(c) Each Lender and the Agent shall notify the Borrower in writing of any changes in the address to which notices to such Lender or the Agent should be directed.

9.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power, or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. No course of dealing between the Borrower, the Agent, or any Lender shall be effective to amend, modify, or discharge any provision of this Agreement or any of the other Loan Documents.

9.4. Costs and Expenses; Yield Protection; Indemnity; Etc.

(a) Any action taken by the Borrower under or with respect to any Loan Document, even if required under any Loan Document or at the request of the Agent or the Lenders, shall be at the expense of the Borrower, and neither the Agent nor the Lenders shall be required under any Loan Document to reimburse the Borrower therefor. In addition, subject to the DIP Order, but regardless of whether or not the transactions contemplated hereby shall be consummated, the Borrower agrees to pay or reimburse the Agent and the Lenders for their reasonable and documented out-of-pocket fees, costs and expenses, whether accrued on, prior to, or after the Closing Date, which shall be part of the Obligations, in connection with:

(i) the preparation, negotiation, and execution of the Interim DIP Order and the Final DIP Order;

(ii) the preparation, negotiation, execution, and administration of the Loan Documents and any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, including any amendment, consent, waiver, assignment, restatement, or supplement thereto;

(iii) the funding of the Loans;

(iv) the creation, perfection, or protection of the DIP Liens (including all search, filing, and recording fees);

(v) internal audit reviews and field examinations;

(vi) the enforcement or preservation of any right or remedy under any Loan Document, any Obligation, or with respect to the Collateral;

(vii) the commencement, defense, conduct of, intervention in, or the taking of any other action (including preparation for and/or response to any subpoena or request for document production relating thereto) with respect to, any proceeding related to the Borrower, any Loan Document, or Obligation;

(viii) the review of pleadings and other filings made with the Bankruptcy Court;

(ix) the Chapter 11 Case, including, but not limited to, attendance at hearings in respect of the Chapter 11 Case;

(x) any refinancing or restructuring of the Loans in the nature of a "work-out"; and

(xi) defending and prosecuting any actions or proceedings arising out of or relating to the Obligations or any transactions related to arising in connection with the Loan Documents;

provided that, in the case of each of the foregoing clauses (i)-(xi), Attorney Costs shall be limited to one law firm on behalf of the Agent and the Lenders and, to the extent necessary, one local counsel in each relevant jurisdiction (and in the case of an actual or perceived conflict of interest, one additional law firm on behalf of the Agent or the affected Lender, as applicable).

(b) If, due to a change in law, there shall be any increase in the cost to any Lender of agreeing to make or of making, funding, or maintaining Loans, including costs in the nature of Taxes (other than Indemnified Taxes and Excluded Taxes), then the Borrower shall from time to time, upon demand by such Lender, pay to the Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to the Borrower by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(c) The Borrower agrees to indemnify, defend, and save and hold harmless the Agent and each Lender and each of their Related Persons and their respective officers, directors, employees, agents, and advisors (each, in its capacity as such, an "Indemnitee") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities, and expenses (including Attorney Costs) that may be incurred by or asserted or awarded against any Indemnitee, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation, or proceeding or preparation of a defense in connection therewith) this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby or the actual or proposed use of the proceeds of the Loans, except to the extent such claim, damage, loss, liability, or expense is found in a final, non-appealable judgment by a court of competent jurisdiction (or a settlement tantamount thereto) to have resulted from such Indemnitee's bad faith, gross negligence, or willful misconduct; provided that any such Attorney Costs shall be limited to one law firm on behalf of the Agent and the Lenders and, to the extent necessary, one local counsel in each relevant jurisdiction (and in the case of an actual or perceived conflict of interest, one additional law firm on behalf of the Agent or the affected Lender, as applicable). In the case of an investigation, litigation, or other proceeding to which the indemnity applies, such indemnity shall be effective whether or not such investigation, litigation, or proceeding is brought by the Borrower, its directors, shareholders, or creditors, whether or not any Indemnitee is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim against (in each case, in its capacity as such) any Agent, any Lender, or any of their respective Related Persons on any theory of liability, for special, indirect, consequential, or punitive damages arising out of or otherwise relating to this Agreement, the other Loan Documents, the transactions contemplated hereby, or thereby or the actual or proposed use of the proceeds of the Loans.

(d) The Borrower and the Agent shall be entitled to deduct and withhold any Taxes that are required to be deducted or withheld under applicable law from any amounts payable under any Loan Document. If any Taxes are required by applicable law to be deducted or withheld by the Borrower or the Agent from or in respect of any amount payable under any Loan Document to a Lender, (i) the Borrower or the Agent, as the case may be, shall make such deductions, (ii) the Borrower or the Agent, as the case may be, shall timely pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable Requirements of Law, and in the case of a payment by the Borrower, deliver to the Agent an

original or certified copy of a receipt evidencing such payment, and (iii) if such Taxes are Indemnified Taxes, the amount payable by the Borrower shall be increased as necessary so that after such deductions have been made (including such deductions applicable to additional amounts payable under this Section), such Lender receives the amount it would have received had no such deductions been made. Each Lender shall deliver to the Agent and the Borrower, and the Agent shall deliver to the Borrower, on or before the date on which such Person becomes a party to this Agreement and from time to time thereafter, such properly completed and executed Tax forms or other Tax documentation reasonably requested by the Agent or the Borrower as will permit payments under the Loan Documents to be made without withholding or at a reduced rate of withholding or as may be required by the Agent or the Borrower to comply with the requirements of any taxing authority with respect to the transactions contemplated hereby.

(e) If a Lender requests compensation for increased costs pursuant to clause (b) of this Section, the Borrower is required to indemnify an Indemnitee pursuant to clause (c) of this Section, or the Borrower is required to pay additional amounts to a Lender pursuant to clause (d) of this Section, then such Lender or Indemnitee shall, at the request of the Borrower, use reasonable efforts to mitigate the effects of the event giving rise to such request or payment.

(f) All the fees, costs, and expenses set forth in this Section 9.4 that have accrued on or prior to the Closing Date shall be paid by the Borrower on such date (and may be netted out of Loans incurred on such date). Any amounts payable pursuant to this Section 9.4 following the Closing Date shall be paid within three Business Days of receipt of an invoice relating thereto setting forth such expenses in reasonable detail, subject to the terms and conditions of the DIP Order.

9.5. Payments Set Aside. To the extent that any of the Agent or the Lenders receives a payment from the Borrower, from the proceeds of the Collateral, from the exercise of its rights of setoff, any enforcement action or otherwise, and such payment is subsequently, in whole or in part, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver, or any other party, then to the extent of such recovery, the Obligation or part thereof originally intended to be satisfied, and all Liens, rights, and remedies therefor, shall be revived and continued in full force and effect as if such payment had not occurred.

9.6. Assignments. The Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender. The rights and obligations of each Lender under this Agreement (including all or a portion of its Term Loan Commitment(s) and the Loans at the time owing to it) shall be assignable by such Lender upon prior written notice to the Borrower; provided that (a) unless an Event of Default shall have occurred and be continuing, such assignment shall not be effective without the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed); provided that if the Borrower, within 5 Business Days of written request therefor, shall not have consented or notified the applicable Lender in writing that the Borrower will not consent, the Borrower shall be deemed to have consented to such assignment, (b) the parties to each assignment shall execute and deliver to the Agent an assignment and assumption agreement in such form approved by the Agent acting reasonably, and (c) if the assignee is not a Lender, then the assignee shall deliver to the Agent all documentation and other information about such assignee

that the Agent reasonably determines is required by regulatory authorities under applicable "know your customer" and anti-money laundering laws, and following the receipt by the Agent of the foregoing, it shall record the assignment in the Register.

9.7. Binding Effect. Subject to Section 2.1 hereof, this Agreement shall become effective when it shall have been executed by the Borrower, the Agent and the Lenders. Thereafter, it shall be binding upon and inure to the benefit of the Borrower, the estate of the Borrower, any trustee, or successor in interest of the Borrower in any chapter 11 Case or any subsequent case commenced under chapter 7 of the Bankruptcy Code or any other bankruptcy or insolvency laws, the Agent and each Lender and, in each case, their respective successors and permitted assigns.

9.8. Counterparts; Facsimile Signature. This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

9.9. Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

9.10. Captions. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

9.11. Independence of Provisions. The parties hereto acknowledge that this Agreement and the other Loan Documents may use several different limitations, tests, or measurements to regulate the same or similar matters, and that such limitations, tests, and measurements are cumulative and must each be performed, except as expressly stated to the contrary in this Agreement.

9.12. Interpretation. This Agreement is the result of good faith negotiations among the parties hereto and has been reviewed by counsel to the Borrower, the Agent, and each Lender. Accordingly, this Agreement and the other Loan Documents shall not be construed against the Borrower, the Agent, or the Lenders merely because of the Borrower's, the Agent's, or the Lenders' involvement in the preparation of such documents and agreements. Without limiting the generality of the foregoing, each of the parties hereto has had the advice of counsel with respect to Sections 9.14 and 9.15.

9.13. No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Borrower, the Agent and the Lenders and their successors and permitted assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the

other Loan Documents. The Lenders shall not have any obligation to any Person not a party to this Agreement or the other Loan Documents.

9.14. Governing Law and Jurisdiction.

(a) Governing Law. The laws of the State of New York shall govern all matters arising out of or in connection with this Agreement, including its validity, interpretation, construction, performance, and enforcement (including any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest), except to the extent that the application of the Bankruptcy Code is mandatory.

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to any Loan Document over which the Bankruptcy Court does not have, or declines to exercise, jurisdiction shall be brought exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York, and in appellate courts from any of the foregoing, and, by execution and delivery of this Agreement, each party hereto hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions.

(c) Service of Process. Each party hereto hereby irrevocably waives personal service of any and all legal process, summons, notices, and other documents and other service of process of any kind and consents to such service in any suit, action, or proceeding brought in the United States of America or the Philippines with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable Requirements of Law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of such party specified herein (and shall be effective when such mailing shall be effective, as provided therein). Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

9.15. Waiver of Jury Trial. EACH PARTY HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVES ALL "RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY OTHER TRANSACTION CONTEMPLATED HEREBY AND THEREBY. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

9.16. Entire Agreement; Release; Survival.

(a) THE LOAN DOCUMENTS EMBODY THE ENTIRE AGREEMENT OF THE PARTIES AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS RELATING TO THE SUBJECT MATTER HEREOF AND ANY PRIOR LETTER OF INTEREST, COMMITMENT LETTER AND SIMILAR AGREEMENTS INVOLVING THE

BORROWER, THE AGENT AND ANY LENDER OR ANY OF THE AGENT'S OR THE LENDERS' AFFILIATES RELATING HERETO. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THIS AGREEMENT AND ANY OTHER LOAN DOCUMENT (OTHER THAN THE FINAL DIP ORDER CURRENTLY IN EFFECT, IN WHICH CASE SUCH FINAL DIP ORDER SHALL GOVERN), THE TERMS OF THIS AGREEMENT SHALL GOVERN (UNLESS OTHERWISE EXPRESSLY STATED IN SUCH OTHER LOAN DOCUMENT OR SUCH TERMS OF SUCH OTHER LOAN DOCUMENTS ARE NECESSARY TO COMPLY WITH APPLICABLE REQUIREMENTS OF LAW, IN WHICH CASE SUCH TERMS SHALL GOVERN TO THE EXTENT NECESSARY TO COMPLY THEREWITH).

(b) Subject to entry of the Interim DIP Order, execution of this Agreement by the Borrower constitutes a full, complete and irrevocable release of any and all claims against the Agent or any Lender (in each case, in its capacity as such) which the Borrower may have at law or in equity in respect of all prior discussions and understandings, oral or written, relating to the subject matter of this Agreement and the other Loan Documents.

(c) Any indemnification or other protection provided to any Indemnitee pursuant to this Agreement shall (x) survive the termination of the Term Loan Commitments and the payment in full or other satisfaction of all other Obligations and (y) inure to the benefit of any Person that at any time held such a right thereunder (as an Indemnitee or otherwise) and, thereafter, its successors and permitted assigns.

9.17. Patriot Act. Each Lender and the Agent that is subject to the Bank Secrecy Act hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Agent to identify the Borrower in accordance with the Patriot Act.

ARTICLE X
DEFINITIONS

10.1. Defined Terms. The following terms are defined in the Sections or subsections referenced opposite such terms:

Term	**Section**
Acceleration	7.2(b)
Acceptable Plan	4.6(a)(iii)
Agent	Preamble
Agreement	Preamble
Approved Budget	2.1(c)
Bankruptcy Court	Recitals
Borrower	Preamble
Chapter 11 Case	Recitals
Confirmation Order	4.6(a)(v)
Conversion Shares	1.9
Debtor	Preamble

Term	**Section**
Disclosure Statement	4.6(a)(iii)
Disclosure Statement Order	4.6(a)(v)
Event of Default	7.1
Indemnitee	9.4(c)
Lender	Preamble
Lenders	Preamble
Milestones	4.6(a)
OFAC	3.10
Petition Date	Recitals
Restructuring Support Agreements	2.1(h)
RSA Assumption Order	4.6(a)(i)
SDN List	3.10
Tranche A DIP Lien	6.1(a)
Tranche A Term Loan Commitment	1.1(a)
Tranche B DIP Lien	6.1(b)
Tranche B Conversion Election	1.9
Tranche B Term Loan Commitment	1.1(b)

In addition to the terms defined elsewhere in this Agreement, the following terms have the following meanings:

"Assignment of Insurances" shall mean the assignment of insurances, dated as of the date hereof, entered into between Borrower, as assignor, and the Lenders as assignee.

"Assignment of Reinsurances" shall mean the assignment of reinsurances, dated as of the date hereof, entered into between the insurer or insurance broker, as the case may be, as assignor, and the Lenders, as assignee;

"Attorney Costs" means all reasonable and documented fees and disbursements of any law firm or other external counsel acting for the Agent or any Lender hereunder and as permitted hereunder.

"Aviation Authority" means the Civil Aviation Authority of the Philippines (CAAP) or any person who is from time to time vested with the control and supervision of, or has jurisdiction over, the registration, airworthiness, and operation of aircraft or other matters relating to civil aviation in the State of Registration.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. § 101, et seq.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

"Borrowing" means each borrowing under a Notice of Borrowing of Loan(s) by the Borrower from the Lenders pursuant to this Agreement.

"Bridge Loan Obligations" means all principal, accrued and unpaid interest, all other "Secured Obligations" (as defined therein), and any and all fees, costs, and other charges due and payable by the Borrower pursuant to (a) that certain loan agreement, dated February 10, 2021, between the Borrower and Buona Sorte Holdings, Inc., (b) that certain loan agreement, dated May 27, 2021, between the Borrower and Buona Sorte Holdings, Inc., and (c) that certain loan agreement, dated August 19, 2021, between the Borrower and Buona Sorte Holdings, Inc., in each case, as amended, restated, supplemented, or modified from time to time.

"Business Day" means any day that is not a Saturday, Sunday, or a day on which banks are required or authorized to close in New York City or Manila.

"Carve-Out" has the meaning ascribed to such term in the DIP Order then in effect.

"Collateral" means all of the Borrower's right, title and interest in, to and under, the following property, in each case whether tangible or intangible, wheresoever located, and whether now owned by the Borrower or hereafter acquired and whether now existing or hereafter coming into existence:

(a) the Mabuhay Miles Program;

(b) Pledged Aircraft and Related Pledged Aircraft Engines;

(c) Pledged Spare Engines; and

(d) all proceeds of any and all of the foregoing.

"Collateral Documents" means, collectively, this Agreement, the DIP Order, each Pledged Aircraft Mortgage Agreement, each Pledged Engine Mortgage Agreement, the Assignment of Insurances, the Assignment of Reinsurances, the DPOA, the Mabuhay Miles Security Agreement, and any and all other security agreements, pledge agreements, and other similar agreements, and all amendments, restatements, modifications, or supplements thereof, or thereto, by or between the Borrower pledging or granting a Lien on Collateral now or hereafter delivered to the Agent pursuant to or in connection with the transactions contemplated hereby, and all financing statements, mortgages, or comparable documents now or hereafter filed in accordance with the UCC or comparable law against the Borrower in favor of the Agent, on behalf of the Lenders, as any of the foregoing may be amended, restated, and/or modified from time to time.

"Compulsory Acquisition" means, in relation to a Pledged Aircraft or Pledged Engine, requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation, or confiscation for any reason of such Pledged Aircraft or any Pledged Engine by any Governmental Authority or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title.

"Closing Date" means the date on which the Bankruptcy Court shall have entered the Interim DIP Order and all other conditions set forth in Section 2.1 hereof are satisfied or waived in accordance with the terms herein.

"Default" means any event or circumstance that, with the passing of time or the giving of notice or both, would (if not cured or otherwise remedied during such time) become an Event of Default.

"Deregistration Power of Attorney" or "DPOA" means any irrevocable deregistration power of attorney, dated as of the date hereof, provided by the Borrower and/or any lessee in the form attached hereto as Annex B (Form of Deregistration Power of Attorney), or such other form as local counsel may advise as being required or advisable under the laws of the state of incorporation of the Borrower and/or lessee and the State of Registration.

"DIP Liens" means, together, the Tranche A DIP Liens and the Tranche B DIP Liens.

"DIP Order" means the Interim DIP Order or the Final DIP Order, as applicable.

"Dollars", "dollars" and "$" each mean lawful money of the United States of America.

"Electronic Transmission" means each document, instruction, authorization, file, information and any other communication transmitted, posted, or otherwise made or communicated by e-mail, facsimile or E-Fax, or other customary electronic system.

"Equity Interest" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Lender or required to be deducted or withheld from a payment to a Lender: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case imposed as a result of such Lender being organized under the laws of, or having its principal office or lending office in, or being a tax resident of, the jurisdiction imposing such Tax (or any political subdivision thereof), (b) Taxes imposed on amounts payable to or for the account of such Lender pursuant to a law in effect on the date on which such Lender becomes a party to this Agreement or (c) Taxes attributable to such Lender's failure to provide any Tax forms or Tax documentation reasonably requested by the Agent or the Borrower pursuant to Section 9.4(d).

"Final DIP Order" means a final order of the Bankruptcy Court in form and substance reasonably acceptable to the Agent and the Lenders entered in the Chapter 11 Case after a final hearing authorizing and approving on a final basis, among other things, (a) the Borrower to obtain credit and incur the Obligations, (b) the substantive terms of this Agreement and the Loan Documents, (c) the granting of the Liens on the Collateral with the priority contemplated in this Agreement, and (d) the repayment and refinancing of the Bridge Loan Obligations, that has not been reversed, stayed, modified, or amended and as to which the time to appeal or seek leave to appeal, petition for certiorari, reargue, or seek rehearing has expired and

no proceeding for certiorari, reargument, or rehearing is pending or if an appeal, petition for certiorari, reargument, or rehearing has been sought, the order of the Bankruptcy Court has been affirmed by the highest court to which the order was appealed, from which the reargument or rehearing was sought, or certiorari has been denied and the time to take any further appeal or to seek certiorari or further reargument or rehearing has expired.

"Governmental Authority" means any nation, sovereign, or government, any state or other political subdivision thereof, any agency, authority, or instrumentality thereof and any entity or authority exercising executive, legislative, taxing, judicial, regulatory, or administrative functions of or pertaining to government, including any central bank, stock exchange, regulatory body, arbitrator, public sector entity, supra-national entity (including the European Union and the European Central Bank), and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Host Aircraft" means any airframe: (a) on which any Pledged Spare Engine is installed from time to time, and (b) on to which any Pledged Aircraft Engine is installed from time to time if such airframe is not a Pledged Aircraft.

"Indemnified Taxes" means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document.

"Initial Commitment Period" means the period commencing on the date of entry of the Interim DIP Order and ending on the date of entry of the Final DIP Order.

"Interest Payment Date" means, as to any Loan, (a) the last day of each March, June, September, and December to occur while such Loan is outstanding and the final maturity date of such Loan (whether by Acceleration or otherwise) and (b) the date of any repayment of principal made in respect thereof.

"Interim DIP Order" means an order of the Bankruptcy Court in form and substance reasonably acceptable to the Lenders entered in the Chapter 11 Case after an interim hearing authorizing and approving on an interim basis, among other things, (a) the Borrower to obtain credit and incur the Obligations, (b) the terms of this Agreement and the other Loan Documents on an interim basis, and (c) the granting of the Liens on the Collateral with the priority contemplated in this Agreement.

"Insurances" means, (a) in respect of a Pledged Aircraft or a Pledged Engine, any and all contracts or policies of insurance and reinsurance required to be effected and maintained under this Agreement in respect of such Pledged Aircraft or Pledged Engine, and (b) in respect of Host Aircraft, any and all contracts or policies of insurance and reinsurance maintained or required to be maintained with respect to such Host Aircraft.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, fiduciary transfer for security purposes, charge, deposit arrangement, encumbrance, trust arrangement, easement, lien (statutory or otherwise), security interest or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever.

"Loan Documents" means this Agreement, the Collateral Documents, the DIP Order, the Term Notes and all documents delivered to the Agent or the Lenders in connection with any of the foregoing.

"Loans" means, collectively, the Tranche A Term Loans and the Tranche B Term Loans.

"Loyalty Program" shall mean any customer loyalty program available to individuals (i.e., natural persons) that grants members in such program Miles based on a member's purchasing behavior and that entitles a member to accrue and redeem such Miles for a benefit or reward, including flights and/or other goods and services.

"Mabuhay Miles Security Agreement" shall mean the security agreement, to be dated within the earlier of (a) 30 days of the date hereof and (b) entry of the Final DIP Order in accordance with Section 4.9, entered into by the Borrower in favor of the Lenders with respect to the Mabuhay Miles Program.

"Mabuhay Miles Program" means the Loyalty Program which is operated, owned, or controlled, directly or indirectly by the Borrower, as in effect from time to time, whether under the "Mabuhay Miles Program" name or otherwise, in each case including any successor program.

"Manuals and Technical Records" means, in respect of a Pledged Aircraft, Host Aircraft, or a Pledged Engine, all records, logs, manuals, technical data, and other materials and documents (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise) relating to such Pledged Aircraft, Host Aircraft, or Pledged Engine.

"Margin Stock" means "margin stock" as such term is defined in Regulation T, U, or X of the Federal Reserve Board.

"Material Adverse Effect" means a material adverse change in any of (a) the condition (financial or otherwise) or business, performance, operations, or Property of the Borrower taken as a whole; (b) the ability the Borrower to perform its obligations under any Loan Document; (c) the validity or enforceability of any Loan Document or the rights and remedies of the Lenders under any Loan Document, or (d) the validity, perfection, and priority of the DIP Liens on the Collateral to the extent required to be established and maintained by the DIP Order and the Collateral Documents in favor of the Lenders.

"Maturity Date" means the earliest of (a) the date that is 63 months after the Petition Date, (b) entry by the Bankruptcy Court of an order dismissing the Chapter 11 Case or converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or (c) the effective date of a chapter 11 plan in the Chapter 11 Case if the conversion election pursuant to Section 1.8 hereof is not made.

"Miles" shall mean miles, points, and/or other units that are a medium of exchange used solely within the Mabuhay Miles Program.

"Notice of Borrowing" means a notice given by the Borrower to the Agent, on behalf of the Lenders, pursuant to Section 1.4.

"Obligations" means all Loans and other indebtedness, fees, interest, advances, debts, liabilities, obligations, covenants, and duties owing by the Borrower to any Lender, the Agent, or any other Person required to be indemnified, that arises under any Loan Document, whether or not for the payment of money, whether arising by reason of an Borrowing, loan, guaranty, indemnification, or in any other manner (including under the DIP Order), whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired.

"Organization Documents" means, (a) the certificate or articles of incorporation, the bylaws, any certificate of determination, or instrument relating to the rights of preferred shareholders of such corporation and any shareholder rights agreement or (b) any other document setting forth the manner of election or duties of the officers, directors, managers, or other similar persons, or the designation, amount or relative rights, limitations, and preference of the Equity Interests of a Person.

"Part" means all appliances, parts, accessories, instruments, navigational and communications equipment, furnishings, modules, components, and other items of equipment (other than complete engines).

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56.

"Permits" means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance, or permission from, and any other contractual obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Permitted Liens" means

(a) Liens granted by the Interim DIP Order and created pursuant to the Collateral Documents to secure the Obligations;

(b) Liens existing on the Closing Date and listed on Schedule 5.1 hereto;

(c) Liens securing the Bridge Loan Obligations;

(d) Permitted Senior Liens;

(e) Liens for Taxes that are not yet due and payable or that are being contested in good faith with the appropriate taxing authorities;

(f) Liens securing indebtedness permitted by this Agreement;

(g) Liens contemplated by the Acceptable Plan to secure the Borrower's incurrence of indebtedness for borrowed money on or after the effective date thereof; and

(h) Liens arising in the ordinary course of business that do not, individually or in the aggregate, materially interfere with the ordinary conduct of the business of the Borrower.

"Permitted Senior Liens" means

(a) Liens senior by operation of law to the Liens securing the Bridge Loan Obligations (solely to the extent any such liens were valid, properly perfected, non-avoidable, and senior in priority to such Liens as of the Petition Date); and

(b) Liens perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code.

"Person" means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or Governmental Authority.

"PFRS" means the Philippine Financial Reporting Standard, as in effect from time to time.

"Pledged Aircraft" shall mean each airframe described in Part A of Schedule 3.8 and any and all Parts, so long as the same shall be incorporated or installed in or attached to such airframe or so long as title thereto remains vested in Borrower after the removal from such airframe in accordance with this Agreement, and the Related Pledged Aircraft Engines, whether or not any of such Pledged Aircraft Engines may from time to time be installed on such airframe or any other airframe, and where the context permits, references to "Pledged Aircraft" shall include the Manuals and Technical Records for such Pledged Aircraft.

"Pledged Aircraft Engines" shall mean the engines listed in Part B of Schedule 3.8 together with all Parts from time to time belonging to, installed in, or appurtenant to any such engine, and where the context permits, references to "Pledged Aircraft Engine" shall include the Manuals and Technical Records for such Pledged Aircraft Engine.

"Pledged Aircraft Mortgage Agreement" shall mean, in respect of each Pledged Aircraft, the first priority mortgage, dated as of the date hereof, governed by Philippines law, in respect of such Pledged Aircraft.

"Pledged Engine" shall mean each of the Pledged Aircraft Engines and the Pledged Spare Engines.

"Pledged Engine Mortgage Agreement" shall mean, in respect of each Pledged Spare Engine, the first priority mortgage, dated as of the date hereof, governed by Philippines law, in respect of such Pledged Spare Engine.

"Pledged Spare Engines" shall have mean the engines listed in Part C of Schedule 3.8 together with all Parts from time to time belonging to, installed in, or appurtenant to any such engine, and where the context permits, references to "Pledged Spare Engine" shall include the Manuals and Technical Records for such Pledged Spare Engine.

"Property" means any interest in any kind of property or asset, whether real, personal, or mixed, and whether tangible or intangible.

"Related Person" means, with respect to any Person, in each case, in its capacity as such, each affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisors and other consultants and agents of or to such Person or any of its affiliates.

"Removed Engine" shall have the meaning given to such term in Annex A attached hereto.

"Required Lenders" means, at any time, Lenders having at the time in excess of fifty percent (50%) of the sum of (a) the aggregate unfunded Tranche A Term Loan Commitments then outstanding *plus* the Tranche A Term Loans outstanding and (b) the aggregate funded Tranche B Term Loan Commitments then outstanding *plus* the Tranche B Term Loans outstanding.

"Requirement of Law" means with respect to any Person, the common law and any federal, state, local, foreign, multinational, or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities), and the interpretation or administration thereof by, and other determinations, directives, requirements, or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Responsible Officer" means the chief executive officer or the president of the Borrower or any other officer having substantially the same authority and responsibility.

"State of Registration" means the Philippines or, such other state on whose national aircraft register such Aircraft may be registered at any time.

"Superpriority Claim" means an allowed claim against the Borrower or its estate in the Chapter 11 Case which is an administrative expense claim having priority over (a) any and all allowed administrative expenses and (b) all unsecured claims now existing or hereafter arising, including any administrative expenses of the kind specified in the Bankruptcy Code, including section 105, 326, 328, 330, 331, 364(c)(l), 365, 503, 506(c), 507, 546, 726, 1113, or 1114 of the Bankruptcy Code.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan Commitment" means, for each Lender, its Tranche A Term Loan Commitment and its Tranche B Term Loan Commitment.

"Term Note" means a promissory note of the Borrower payable to a Lender and evidencing the Obligations of the Borrower to such Lender resulting from the Loans made to the Borrower by such Lender or its predecessor(s).

"Total Loss" means, in respect of a Pledged Aircraft or Pledged Engine, any of the following events:

(a) the actual or constructive total loss of such Pledged Aircraft or Pledged Engine (including any damage to such Pledged Aircraft or Pledged Engine which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of such Pledged Aircraft or Pledged Engine which results in an insurance settlement on the basis of a total loss);

(b) such Pledged Aircraft or Pledged Engine being destroyed or damaged beyond repair;

(c) the Compulsory Acquisition of the Pledged Aircraft or Pledged Engine;

(d) the hijacking, theft, confiscation, capture, detention, seizure, or requisition for use or hire of such Pledged Aircraft or Pledged Engine other than where the same amounts to Compulsory Acquisition of such Pledged Aircraft or Pledged Engine which deprives the operator of the use of such Pledged Aircraft or Pledge Engine for more than 180 consecutive days, excluding requisition for use or hire by any Governmental Authority of the State of Registration; or

(e) the requisition for use or hire of such Pledged Aircraft or Pledged Engine by any Governmental Authority of the State of Registration (other than where the same amounts to Compulsory Acquisition of such Pledged Aircraft) which deprives the operator of the use of such Pledged Aircraft or Pledged Engine for more than 180 consecutive days;

provided that if there occurs a Total Loss in respect of an airframe, a Total Loss will be deemed to have occurred in respect of such Pledged Aircraft to which such airframe is attributable.

"Tranche A Lender" means each Lender that has a Tranche A Term Loan or Tranche A Term Loan Commitment (in its capacity as such).

"Tranche A Term Loan" means any amount borrowed under Section 1.1(a).

"Tranche B Lender" means each Lender that has a Tranche B Term Loan or Tranche B Term Loan Commitment (in its capacity as such).

"Tranche B Term Loan" means any amount borrowed under Section 1.1(b).

"UCC" means the Uniform Commercial Code of any applicable jurisdiction and, if the applicable jurisdiction shall not have any Uniform Commercial Code, the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." each means the United States of America.

10.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement or in any other Loan Document shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meanings of defined terms shall be equally applicable to the singular and plural forms of the defined terms. Terms (including uncapitalized terms) not otherwise defined herein and that are defined in the UCC shall have the meanings therein described.

(b) The Agreement. The words "hereof, "herein", "hereunder" and words of similar import when used in this Agreement or any other Loan Document shall refer to this Agreement or such other Loan Document as a whole and not to any particular provision of this Agreement or such other Loan Document; and subsection, section, schedule and exhibit references are to this Agreement or such other Loan Documents unless otherwise specified.

(c) Certain Common Terms. The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term "including" is not limiting and means "including, without limitation." The term "or" has the inclusive meaning represented by the phrase "and/or".

(d) Performance; Time. Whenever any performance obligation hereunder or under any other Loan Document (other than a payment obligation) shall be stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day.

(e) Contracts; Instruments. Unless otherwise expressly provided herein or in any other Loan Document, references to agreements, orders and other contractual instruments, including this Agreement and the other Loan Documents, shall be deemed to include all subsequent amendments, thereto, restatements and substitutions thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation may be made by using either the common or public name thereof or a specific cite reference and are to be construed as including all statutory and regulatory provisions related thereto or consolidating, amending, replacing, supplementing, or interpreting the statute or regulation.

10.3. Accounting Terms and Principles. All accounting determinations required to be made pursuant hereto shall, unless expressly otherwise provided herein, be made in accordance with PFRS.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

PHILIPPINE AIRLINES, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for notices:

5th Floor PNB Financial Center CCP Complex
Diosdado Macapagal Avenue
Pasay City, Philippines
Attention: Nilo Thaddeus P. Rodriguez
Email: nilo.rodriguez@pal.com.ph and
corporate.finance@pal.com.ph

With a copy to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Attention: Jasmine Ball and Nick Kaluk
Phone: 212-909-6000
Email: jball@debevoise.com and
nkaluk@debevoise.com

LENDER

PAL HOLDINGS INC.

By: _____
Name: _____
Title: _____

Address for notices:

[●]
[●]
[●]
Attention: _____
Phone: _____
Email: _____

With a copy to:

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Todd Wolynski
Phone: +1 212 819 8266
Email: todd.wolynski@whitecase.com

LENDER

BUONA SORTE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

Address for notices:

19F BDO Plaza 8737 Paseo de Roxas, Makati City, Metro Manila, Philippines
Attention: _____
Phone: _____
Email: _____

With a copy to:

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Todd Wolynski
Phone: +1 212 819 8266
Email: todd.wolynski@whitecase.com

THE AGENT:

BUONA SORTE HOLDINGS, INC.,
as the Agent

By: _____
Name: _____
Title: _____

Address for notices:

19F BDO Plaza 8737 Paseo de Roxas, Makati City, Metro Manila, Philippines
Attention: _____
Phone: _____
Email: _____

With a copy to:

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Todd Wolynski
Phone: +1 212 819 8266
Email: todd.wolynski@whitecase.com

Annex B

Approved Budget

Philippine Airlines, Inc.
Weekly Cashflow Forecast
Basis: Rolling Forecast with July Actuals
As of September 3, 2021

$ in millions

Week of:	**Aug 30, 2021**	**Sep 6, 2021**	**Sep 13, 2021**	**Sep 20, 2021**	**Sep 27, 2021**	**Oct 4, 2021**	**Oct 11, 2021**	**Oct 18, 2021**	**Oct 25, 2021**	**Nov 1, 2021**	**Nov 8, 2021**	**Nov 15, 2021**	**Nov 22, 2021**	**Nov 29, 2021**
Week (2021)	*Week 35*	*Week 36*	*Week 37*	*Week 38*	*Week 39*	*Week 40*	*Week 41*	*Week 42*	*Week 43*	*Week 44*	*Week 45*	*Week 46*	*Week 47*	*Week 48*
Operating Cash Flows														
Receipts														
Sales receipt	20.57	22.29	22.29	22.29	22.29	22.20	22.20	22.20	22.20	23.89	23.89	23.89	23.89	23.89
Cash holdout release	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00
Total Receipts	**21.82**	**23.54**	**23.54**	**23.54**	**23.54**	**23.45**	**23.45**	**23.45**	**23.45**	**24.89**	**24.89**	**24.89**	**24.89**	**24.89**
Operating Disbursements														
Payroll & Benefits	(2.66)	(2.69)	(2.69)	(2.69)	(2.69)	(3.03)	(3.03)	(3.03)	(3.03)	(3.05)	0.00	(3.05)	0.00	(3.05)
Aircraft Leases	(1.96)	0.00	0.00	0.00	(4.49)	0.00	0.00	0.00	(30.31)	0.00	0.00	0.00	0.00	(27.43)
Maintenance	(7.09)	(5.78)	(5.78)	(5.78)	(5.78)	(8.30)	(8.30)	(8.30)	(8.30)	(7.54)	(7.54)	(7.54)	(7.54)	(7.54)
Fuel	(6.08)	(6.88)	(6.88)	(6.88)	(6.88)	(7.03)	(7.03)	(7.03)	(7.03)	(7.34)	(7.34)	(7.34)	(7.34)	(7.34)
Financing charges	(0.89)	(1.58)	(1.58)	(1.58)	(1.58)	(1.15)	(1.15)	(1.15)	(1.15)	(2.37)	(2.37)	(2.37)	(2.37)	(2.37)
Other operating expenses	(3.69)	(6.77)	(6.77)	(2.08)	(2.27)	(6.82)	(6.82)	(6.82)	(7.02)	(5.88)	(5.88)	(5.88)	(5.88)	(5.88)
Total Operating Disbursements	**(22.37)**	**(23.70)**	**(23.70)**	**(19.01)**	**(23.69)**	**(26.33)**	**(26.33)**	**(26.33)**	**(56.84)**	**(26.18)**	**(23.13)**	**(26.18)**	**(23.13)**	**(53.62)**
Restructuring Costs														
Critical Vendor	-	(6.24)	(12.48)	(6.24)	(37.44)	(5.00)	(5.00)	(5.00)	(5.00)	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)
RSAs	-	-	-	-	(37.23)	-	-	-	-	-	-	-	-	(55.80)
Other restructuring costs	(2.00)	-	-	(5.89)	(7.10)	-	-	(1.20)	(13.25)	-	-	-	-	-
Total Restructuring Costs	**(2.00)**	**(6.24)**	**(12.48)**	**(12.13)**	**(81.77)**	**(5.00)**	**(5.00)**	**(6.20)**	**(18.25)**	**(4.00)**	**(4.00)**	**(4.00)**	**(4.00)**	**(59.80)**
Net Cash Flows Pre-DIP	**(2.56)**	**(6.40)**	**(12.64)**	**(7.60)**	**(81.91)**	**(7.88)**	**(7.88)**	**(9.08)**	**(51.64)**	**(5.30)**	**(2.24)**	**(5.30)**	**(2.24)**	**(88.53)**
Beginning Cash Balance	**28.64**	**41.09**	**54.69**	**42.05**	**34.46**	**182.54**	**174.66**	**166.78**	**157.70**	**261.07**	**255.77**	**253.53**	**248.23**	**245.99**
Net Cash Flows Pre-DIP	(2.56)	(6.40)	(12.64)	(7.60)	(81.91)	(7.88)	(7.88)	(9.08)	(51.64)	(5.30)	(2.24)	(5.30)	(2.24)	(88.53)
Bridge Loan	15.00	-	-	-	(100.00)	-	-	-	-	-	-	-	-	-
DIP borrowing/repayment - Tranche A	-	20.00	-	-	230.00	-	-	-	-	-	-	-	-	-
DIP borrowing/repayment - Tranche B	-	-	-	-	100.00	-	-	-	155.00	-	-	-	-	-
Exit Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	150.00
Ending Cash Balance	**41.09**	**54.69**	**42.05**	**34.46**	**182.54**	**174.66**	**166.78**	**157.70**	**261.07**	**255.77**	**253.53**	**248.23**	**245.99**	**307.45**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

FINAL ORDER (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING; (B) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS; (C) GRANTING ADEQUATE PROTECTION TO THE BRIDGE LENDER; (D) MODIFYING THE AUTOMATIC STAY; AND (E) GRANTING RELATED RELIEF

This matter is before the Court on the motion (the "**Motion**")[2] of Philippine Airlines Inc., the debtor in possession in these proceedings (the "**Debtor**"), requesting entry of a final order (this "~~**Final** **Order**") pursuant to sections 105, 361, 362, 363(b), 363(e), 364(c)(1), 364(c)(2), 364(c)(3), 364(d), and 364(e) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 4001-2 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"):

(1) authorizing the Debtor, on the terms set forth in the DIP Loan Documents (as defined below), to obtain postpetition financing, consisting of the DIP Facility (as defined below) in an aggregate principal amount of up to $505 million (the

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

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the DIP Credit Agreement (as defined herein) attached to this ~~Final~~ Order as **Annex A** or, if not defined in the DIP Credit Agreement, in the Motion.

"**DIP Commitments**") comprising (a) a first lien secured Tranche A multi-draw term loan facility (the "**Tranche A DIP Facility**") in an aggregate principal amount of $250 million (each individual loan made thereunder, a "**Tranche A DIP Loan**," collectively the loans made thereunder, the "**Tranche A DIP Loans**," and, together with related obligations incurred under the Tranche A DIP Facility, the "**Tranche A DIP Obligations**"), $20 million of which has been drawn before entry of this ~~Final~~ Order and the remainder of which will be available in a single draw upon entry of this ~~Final~~ Order, from Buona Sorte Holdings, Inc. (the "**Initial Tranche A DIP Lender**," and together with all successors and permitted assigns, the "**Tranche A DIP Lenders**"); and (b) a second lien secured Tranche B multi-draw term loan facility (the "**Tranche B DIP Facility**" and, together with the Tranche A DIP Facility, the "**DIP Facility**") in an aggregate principal amount of $255 million (each individual loan made thereunder, a "**Tranche B DIP Loan**," collectively the loans made thereunder, the "**Tranche B DIP Loans**," and, together with related obligations incurred under the Tranche B DIP Facility, the "**Tranche B DIP Obligations**"; the Tranche B DIP Loans, collectively with the Tranche A DIP Loans, are the **"DIP Loans**"), which shall be available in no more than two draws upon entry of this ~~Final~~ Order, from PAL Holdings Inc. (the "**Initial Tranche B DIP Lender**," and together with all successors and permitted assigns, the "**Tranche B DIP Lenders**"; the Initial Tranche A DIP Lender and the Initial Tranche B DIP Lender are, together, the "**Initial DIP Lenders**" and, together with all successors and permitted assigns, the "**DIP Lenders**");[3] in each case subject to the satisfaction

[3] For the avoidance of doubt, (a) nothing herein shall preclude the ability of the DIP Lenders to, in accordance with the applicable DIP Loan Documents, offer a portion of the DIP Commitments and DIP

of the conditions precedent set forth in the DIP Credit Agreement; for which Buona Sorte Holdings, Inc. shall serve as administrative and collateral agent (in such capacities, together with its successors in such capacities, the "**DIP Agent**," and the DIP Agent, together with the DIP Lenders, are the "**DIP Secured Parties**" and each is a "**DIP Secured Party**");

(2) authorizing the Debtor to execute and deliver additional documentation consistent with the terms of (or as may be required by) the DIP Credit Agreement substantially in the form attached hereto as **Annex A** without exhibits or schedules (as such agreement may be amended, in accordance with its terms and this ~~Final~~ Order, and including the exhibits and schedules thereto, the "**DIP Credit Agreement**") and the other DIP Loan Documents, and to perform such other and further acts as may be necessary or appropriate in connection therewith, or otherwise required under the DIP Loan Documents;

(3) authorizing the Debtor to use proceeds of the DIP Loans (the "**DIP Loan Proceeds**") as permitted in the DIP Loan Documents and in accordance with this ~~Final~~ Order and the Approved Budget (as defined herein), including, upon entry of ~~the Final~~this Order, to pay in full and refinance all Bridge Loan Obligations (as defined below);

(4) granting valid, binding, continuing, enforceable, and automatically perfected (a) security interests in and liens on all of the Collateral (as defined in the DIP

accordance with the applicable DIP Loan Documents, offer a portion of the DIP Commitments and DIP Loans to third-party capital providers and other financial institutions or other entities, it being understood that no such assignment or transfer shall become effective with respect to any portion of the DIP Commitments until the Closing Date (as defined in the DIP Credit Agreement); and (b) thereafter, assignments and participations of DIP Loans and DIP Commitments shall be in accordance with the DIP Loan Documents.

Credit Agreement, and referred to herein as the "**DIP Collateral**") to the DIP Agent for the benefit of the DIP Secured Parties, and (b) granting superpriority administrative expense status to the DIP Obligations (as defined below), in each case subject to the Carve Out (as defined below) and, in the case of the Tranche B DIP Obligations, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims;

(5) authorizing the Debtor to pay the principal, interest, fees, expenses, disbursements, and other amounts payable under the DIP Loan Documents as and when such amounts become due and payable without other or further notice or order;

(6) authorizing the Debtor to use, on the terms described herein, the Bridge Loan Collateral (as defined herein) and providing adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral;

(7) vacating and modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this ~~Final~~ Order and the other DIP Loan Documents;

(8) waiving the Debtor's ability to surcharge against any DIP Collateral pursuant to section 506(c) of the Bankruptcy Code and any right of the Debtor under the "equities of the case" exception in section 552(b) of the Bankruptcy Code;

~~(9) scheduling a final hearing to consider entry of the Final Order, and in connection therewith, giving and prescribing the manner of notice of the Final Hearing (as defined below) on the Motion;~~

(9) ~~(10)~~ waiving any applicable stay with respect to the effectiveness and enforceability of this ~~Final~~ Order (including under Bankruptcy Rule 6004); and

(10) ~~(11)~~ granting the Debtor such other and further relief as is just and proper.

The Court having held an interim hearing on ~~[●]~~September 9, 2021 (the "**Interim Hearing**") and entered an interim order (ECF No. ~~[●]~~58) (the "**Interim Order**") that, among other things, scheduled a final hearing on ~~[●]~~September 30, 2021 (the "**Final Hearing**") to consider entry of this ~~Final~~ Order and grant the relief sought in the Motion on a final basis, as set forth in the Motion and the DIP Loan Documents; and upon consideration of (a) the Motion and the exhibits attached thereto, (b) the First Day Declaration and the Walker Declaration, (c) the evidentiary record, as well as the arguments and statements of counsel, made at the Interim Hearing and the Final Hearing, and (d) all other matters brought to the Court's attention at the Interim Hearing and the Final Hearing; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate, creditors, stakeholders, and all other parties-in-interest, and essential for the continued operation of the Debtor's business and the preservation of the value of the Debtor's assets and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND DETERMINES:[4]

[4] To the extent any findings of fact constitute conclusions of law, they are adopted as such, and vice versa.

A. Petition Date. On September 3, 2021 (the "**Petition Date**"), the Debtor filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code and is continuing to operate its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this case.

B. Jurisdiction; Core Proceeding. This Court has jurisdiction over this Chapter 11 Case, the Motion, this ~~Final~~ Order, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a "core" proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Need for Postpetition Financing. An ongoing need exists for the Debtor to obtain the DIP Loans in order to permit, among other things, the Debtor to meet its obligations arising during the Debtor's Chapter 11 Case, including the administration of the Debtor's Chapter 11 Case, so as to maximize the value of its business and assets as debtor in possession under chapter 11 of the Bankruptcy Code. The Debtor does not have sufficient available sources of working capital to operate its business without access to the DIP Facility, and its existing liquidity is deteriorating at a rate that requires access to the DIP Loan Proceeds. The Debtor's ability to preserve and maintain its assets, to pay employees, and to otherwise fund operations and an orderly reorganization process, is essential to the Debtor's viability and preservation of the going-concern value of its business and the value of its assets. Without access to the DIP Facility, the Debtor's estate would suffer immediate and irreparable harm.

D. Proposed DIP Facility. The Debtor has requested that the DIP Lenders establish the DIP Facility pursuant to which the Debtor may obtain DIP Loans from time to time in accordance with the DIP Loan Documents, with all DIP Loans to be secured by DIP

Liens upon the DIP Collateral as described below, and all DIP Loans and obligations of the Debtor contemplated by the DIP Loan Documents to be granted superpriority administrative expense claims, as and to the extent set forth in the DIP Loan Documents. The DIP Lenders are willing to establish the DIP Facility upon the terms and conditions set forth in the DIP Loan Documents.

E. No Credit Available on More Favorable Terms. Despite diligent efforts and a sufficient marketing process, the Debtor has been unable to obtain postpetition financing on terms more favorable than those offered by the DIP Lenders under the DIP Loan Documents. The Debtor is unable to obtain adequate unsecured credit under section 503(b)(1) of the Bankruptcy Code. The Debtor also is unable to obtain secured credit allowable under section 364 of the Bankruptcy Code without granting the DIP Liens and the DIP Superpriority Claims (each, as defined below) under sections 364(c) and 364(d) of the Bankruptcy Code on the terms and conditions set forth in this ~~Final~~ Order and the DIP Loan Documents. Further, the DIP Facility provides additional benefits to the Debtor, including the Tranche A DIP Lenders' agreement to grant the Debtor the option to convert the Tranche A DIP Obligations (other than payment of professional fees and expenses) to unsecured loans and the Tranche B DIP Lenders' agreement to grant the Debtor the option to convert the Tranche B DIP Obligations (other than payment of professional fees and expenses) to 79.5% of the common equity of the reorganized Debtor, in each case on the terms set forth in the DIP Loan Documents and pursuant to an Acceptable Plan.

F. Approved Budget. The Debtor has delivered to the DIP Agent a 13-week cash flow forecast of receipts and disbursements for the period from the Closing Date (as defined in the DIP Credit Agreement), attached to this ~~Final~~ Order as **Annex B** (the "**Approved**

Budget"), which Approved Budget is reasonably acceptable to the DIP Lenders in accordance with the DIP Loan Documents. The DIP Secured Parties are relying upon the Approved Budget in entering into the DIP Loan Documents.

G. Certain Conditions to DIP Facility. The DIP Lenders' willingness to make the DIP Loans is conditioned upon, among other things, (a) the Debtor obtaining Court approval to enter into the DIP Loan Documents and to incur all of its obligations thereunder, and to confer upon the DIP Secured Parties all rights, powers, and remedies thereunder and (b) the DIP Secured Parties being granted, as security for the prompt payment of the obligations under the DIP Facility and all other DIP Obligations, perfected security interests in and liens upon the DIP Collateral, and that such perfected security interests and liens have the priorities set forth herein.

H. Service of Motion and Notice of Final Hearing. The affidavit and declaration of service on file with the Court (ECF No. ~~[●]~~40) demonstrate that the Debtor has served copies of the Motion (together with the copies of the proposed DIP Credit Agreement and Approved Budget annexed hereto as **Annexes A & B**, respectively), and notice of the Final Hearing by electronic mail, telecopy transmission, hand delivery, overnight courier, or first class United States mail upon (a) the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, NY 10014 (Attn: Susan A. Arbeit); (b) counsel to any official committee of unsecured creditors (the "Creditors' Committee"); (c) holders of the 30 largest unsecured claims against the Debtor; (d) the parties to the RSAs; (e) the Debtor's existing lienholders; (f) the Internal Revenue Service; (g) the United States Attorney's Office for the Southern District of New York; (h) the Federal Aviation Administration; (i) the Initial DIP Lenders and their counsel, White & Case LLP, 1221 Avenue of the Americas, New

York, NY 10020 (Attn: Andrew Zatz and Todd Wolynski); and (j) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Court finds that the foregoing notice of the Motion, as it relates to this ~~Final~~ Order and the Final Hearing, is appropriate, due, and sufficient for all purposes under the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, including sections 102(1) and 364 of the Bankruptcy Code and Bankruptcy Rule 4001(c), and that no further notice of the relief sought at the Final Hearing and the relief granted herein is necessary or required.

I. Debtor's Stipulations. After consultation with its attorneys and financial advisors, and without prejudice to the rights of parties in interest as set forth in paragraph 14 herein, the Debtor, on its behalf and on behalf of its estate, admits, stipulates, acknowledges, and agrees as follows (subparagraphs I(a) through I(e) below are referred to herein, collectively, as the "**Debtor's Stipulations**"):

(a) *Bridge Loan Facilities.* Pursuant to those certain Loan Agreements, dated as of February 10, 2021 (the "**First Bridge Loan Agreement**"), May 27, 2021 (the "**Second Bridge Loan Agreement**"), and August 19, 2021 (the "**Third Bridge Loan Agreement**") respectively (each as amended, restated, or otherwise modified from time to time, the "**Bridge Loan Agreements**," and collectively with any other agreements and documents executed or delivered in connection therewith, each as may be amended, restated, or otherwise modified from time to time, the "**Bridge Loan Documents**"), between the Debtor and Buona Sorte Holdings, Inc., a corporation duly organized and existing under the laws of the Republic of the Philippines, as lender thereunder (the "**Bridge Lender**"), the Bridge Lender provided certain term loans to the Debtor (the "**Bridge Loans**" and, collectively with all accrued and unpaid interest

thereon, all other Secured Obligations (as defined in the Bridge Loan Agreements), and all fees, costs, and other charges due and payable under the Bridge Loan Documents, the "**Bridge Loan Obligations**").

(b) *Bridge Loans*. Pursuant to the Bridge Loan Agreements, the Bridge Lender provided credit facilities (the "**Bridge Loan Facilities**") to the Debtor in an aggregate principal amount of $100 million, comprised of (i) $60 million pursuant to the First Bridge Loan Agreement, (ii) $25 million pursuant to the Second Bridge Loan Agreement, and (iii) $15 million pursuant to the Third Bridge Loan Agreement. The Bridge Loan Facilities provided the Debtor with the necessary liquidity and runway to prepare for an organized bankruptcy filing and negotiate Restructuring Support Agreements with numerous lenders and lessors regarding the Debtor's go-forward aircraft leases, long-term loans, and optimized fleet leasing strategy in accordance with the Debtor's revised business plan.

(c) *Bridge Loan Liens and Bridge Loan Collateral*. As more fully set forth in the Bridge Loan Documents, prior to the Petition Date, the Debtor granted to the Bridge Lender a first priority security interest in and a continuing lien on (the "**Bridge Loan Liens**") each of the Aircraft, Engines, and Spare Engines (each as defined in the Bridge Loan Agreements, collectively, the "**Bridge Loan Collateral**"), subject only to any ~~Permitted~~Prior Liens (as defined ~~in the Bridge Loan Agreements, and as used herein, the "**Bridge Loan Permitted Liens**"~~below).

(d) *Validity, Perfection, and Priority of Bridge Loan Obligations and Bridge Loan Liens.* The Debtor acknowledges and agrees that, as of the Petition Date, (i) the Bridge Loan Liens on the Bridge Loan Collateral were valid, binding,

enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Bridge Lender for fair consideration and reasonably equivalent value; (ii) the Bridge Loan Liens were senior in priority over any and all other liens on the Bridge Loan Collateral, subject only to ~~Bridge Loan Permitted Liens and~~ liens senior by operation of law (solely to the extent any such liens were valid, properly perfected, non-avoidable, and senior in priority to the Bridge Loan Liens as of the Petition Date, the "**Prior Liens**"); (iii) the Bridge Loan Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtor enforceable in accordance with the terms of the applicable Bridge Loan Documents; (iv) no offsets, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Bridge Loan Liens or Bridge Loan Obligations exist, and no portion of the Bridge Loan Liens or Bridge Loan Obligations are subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization, or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (v) the Debtor and its estate have no claims, objections, challenges, causes of action, and/or choses in action, including avoidance actions under Chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against the Bridge Lender, or any of its respective affiliates, agents, attorneys, advisors, professionals, officers, directors, or employees arising out of, based upon, or related to the Bridge Loan Facilities; (vi) the Debtor has waived, discharged, and released any right to challenge any of the Bridge Loan Obligations, the priority of the Debtor's obligations thereunder, or the validity, extent, and priority of the Bridge Loan Liens; and (vii) the Bridge Loan

Obligations constitute allowed, secured claims within the meaning of sections 502 and 506 of the Bankruptcy Code.

(e) Non-Controlling Party. The Bridge Lender shall not be deemed to be in control of the operations of the Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtor.

J. Prior Liens. Nothing herein shall constitute a finding or ruling by this Court that any alleged Prior Lien is valid, senior, enforceable, prior, perfected, or non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including the Debtor, the DIP Agent, the Bridge Lender, or a Committee (if appointed), to challenge the validity, priority, enforceability, seniority, avoidability, perfection, or extent of any alleged Prior Lien. The right of a seller of goods to reclaim such goods under section 546(c) of the Bankruptcy Code is not a Prior Lien; rather, any such alleged claim arising or asserted as a right of reclamation (whether asserted under section 546(c) of the Bankruptcy Code or otherwise) shall have the same rights and priority with respect to the DIP Liens (as defined below) as such claim had with the Bridge Loan Liens.

K. Finding of Good Cause. Good cause has been shown for the entry of this ~~Final~~ Order and authorization for: (a) the DIP Lenders to provide the Debtor with the DIP Loans and (b) the Debtor to accept, incur, and undertake the DIP Obligations pursuant to the DIP Loan Documents as provided herein. The Debtor's need for financing of the type afforded by the DIP Loan Documents is critical. Entry of this ~~Final~~ Order will preserve the value of the assets of the Debtor's estate and is in the best interests of the Debtor, its creditors and its estate. The terms of the DIP Facility are fair and reasonable, including the interest rates and fees owed thereunder, reflect the Debtor's exercise of prudent business judgment consistent

with its fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

L. Finding of Good Faith. Based upon the record presented at the Final Hearing, the DIP Facility has been negotiated in good faith and at arm's length between the Debtor, on the one hand, and the DIP Secured Parties, on the other. All of the DIP Obligations, including all DIP Loans made pursuant to the DIP Loan Documents and all other liabilities and obligations of the Debtor under this ~~Final~~ Order, owing to the DIP Secured Parties shall be deemed to have been extended by the DIP Secured Parties in "good faith," as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code. The DIP Secured Parties shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this ~~Final~~ Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

M. No Liability to Third Parties. The Debtor stipulates and the Court finds that in making decisions to advance loans to the Debtor, in administering any DIP Loans, in accepting the Approved Budget, or in taking any other actions permitted by this ~~Final~~ Order or the DIP Loan Documents in their respective capacities as DIP Lenders or DIP Agent, none of the DIP Secured Parties shall be deemed to be in control of the operations of the Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtor.

N. No Claims or Causes of Action. There exist no claims or causes of action against any of the DIP Agent, the other DIP Secured Parties or the Bridge Lender with respect to, in connection with, related to, or arising from the DIP Loan Documents; or the DIP Facility

that may be asserted by the DIP Secured Parties, the Debtor, the Bridge Lender or any other person or entity.

O. Adequate Protection. The Bridge Lender is entitled to receive adequate protection to the extent of any diminution in value of its interests in the Bridge Loan Collateral as set forth in this ~~Final~~ Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDICATED AND DECREED as follows:

1. Grant of Motion; Authorization of Final Financing; Use of Proceeds.

(a) The Motion is hereby granted as and to the extent provided herein, and the Court hereby authorizes and approves the Debtor's execution and delivery of the DIP Loan Documents, and the Debtor's execution and delivery of all instruments, security agreements, assignments, pledges, mortgages, reaffirmations, and other documents referred to therein or reasonably requested by the DIP Secured Parties to give effect to the terms thereof and as will be drafted and executed as contemplated therein, in each case, in final form and substance consistent with this ~~Final~~ Order and otherwise reasonably acceptable to the DIP Secured Parties (collectively, this ~~Final~~ Order, the DIP Credit Agreement, the Collateral Documents, the Approved Budget, and any other document delivered to any DIP Secured Party in connection with any of the foregoing, in each case, as the same may be amended, restated, or otherwise modified from time to time in accordance with the terms of this ~~Final~~ Order and the DIP Credit Agreement, are referred to herein as the "**DIP Loan Documents**").

(b) The Debtor is hereby authorized to borrow under the DIP Loan Documents and this ~~Final~~ Order up to an aggregate principal amount of $505,000,000 (inclusive of amounts previously borrowed), subject to any conditions and

limitations on availability in the DIP Loan Documents, plus all interest, fees, and other charges payable in connection with the DIP Loans as provided in the DIP Credit Agreement and other DIP Loan Documents; to incur any and all liabilities and obligations under the DIP Loan Documents; to pay all principal, interest, fees, expenses, and other obligations provided for under the Approved Budget and the other DIP Loan Documents, including the obligations under the DIP Loan Documents to indemnify the Indemnitees (as defined in the DIP Credit Agreement); and to pay in full and refinance all Bridge Loan Obligations with the proceeds of Tranche A DIP Loans.

(c) No DIP Secured Party shall have any obligation or responsibility to monitor the use of the DIP Loans, and each DIP Secured Party may rely upon the Debtor's representations that the amount of the DIP Loans requested at any time, and the use thereof, are in accordance with the requirements of this ~~Final~~ Order, the Approved Budget, the DIP Loan Documents, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

(d) The Debtor may obtain and use the DIP Loan Proceeds only as permitted under the DIP Loan Documents. For the avoidance of doubt, no DIP Loan Proceeds may be used to make any payment in settlement or satisfaction of any prepetition claim (other than the Bridge Loan Obligations) or administrative claim (other than the DIP Obligations or the Adequate Protection Superpriority Claims (as defined below)), unless such payment is (x) in compliance with the Approved Budget or (y) separately approved or authorized by the Court upon notice to the DIP Agent.

2. Entry into, Execution, Delivery, and Performance of DIP Loan Documents. The Debtor is hereby authorized (to the extent not already accomplished) (a) to enter into the DIP Credit Agreement and the other DIP Loan Documents, (b) to incur and perform the DIP Obligations arising from and after the date of this ~~Final~~ Order under the DIP Facility, (c) to repay amounts borrowed, together with interest, and (d) to pay all fees, costs, and expenses contemplated therein, as well as any other outstanding DIP Obligations to the DIP Secured Parties, in each case in accordance with and subject to the terms and conditions set forth in this ~~Final~~ Order, the other DIP Loan Documents, and such additional documents, instruments, and agreements as may reasonably be required by the DIP Secured Parties to implement the terms or effectuate the purpose of and transactions contemplated by the DIP Loan Documents, the terms of which are incorporated by reference. The DIP Loan Documents may be executed and delivered on behalf of the Debtor by any officer, director, or agent of the Debtor, who by signing shall be deemed to represent himself or herself to be duly authorized and empowered to execute such DIP Loan Documents for and on behalf of the Debtor; the DIP Secured Parties shall be authorized to rely upon any such person's execution and delivery of any of the DIP Loan Documents as having done so with all requisite power and authority to do so; and the execution and delivery of any of the DIP Loan Documents by any such person on behalf of the Debtor shall be conclusively presumed to have been duly authorized by all necessary corporate action of the Debtor. Upon execution and delivery thereof, each of the DIP Loan Documents shall constitute valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with its terms for all purposes during its Chapter 11 Case, any subsequently converted case of the Debtor under chapter 7 of the Bankruptcy Code (a "**Successor Case**"), and after the dismissal of any Chapter 11 Case. Subject to the provisions of paragraph 14, no

obligation, payment, or transfer under the DIP Loan Documents, the Interim Order, or this ~~Final~~ Order (including in connection with any adequate protection provided to the Bridge Lender) shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law (including under sections 502(d), 544, 547, 548, 549, or 550 of the Bankruptcy Code or under any applicable Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act, or similar statute or common law), or subject to any defense, reduction, setoff, recoupment, or counterclaim.

3. DIP Liens. As security for the Debtor's payment and performance under the DIP Loan Documents, all principal, interest, costs, expenses, fees, and other charges at any time payable by the Debtor to the DIP Secured Parties in connection with the DIP Loan Documents, all reimbursement obligations, and all other indebtedness and obligations contemplated under any of the DIP Loan Documents (all of the foregoing being collectively called the "**DIP Obligations**"), the DIP Agent, for itself and for the benefit of the DIP Lenders, is hereby granted (effective and perfected when the Interim Order was entered, and ratified and continuing with this ~~Final~~ Order, and without the necessity of the execution, filing, or recording by the Debtor or the DIP Agent of security agreements, pledge agreements, mortgages, financing statements, or other agreements) the following valid, binding, enforceable, non-avoidable, and automatically and properly perfected security interests in and liens upon all of the DIP Collateral (collectively, the "**DIP Liens**") in the priorities set forth in subparagraphs (a) and (b) below, each of which shall be subject to the Carve Out:

(a) Tranche A DIP Liens. (i) First priority liens pursuant to section 364(c)(2) of the Bankruptcy Code on all DIP Collateral that was not encumbered by Bridge

Loan Liens or Permitted Senior Liens (as defined below), and (ii) to the extent any DIP Collateral is subject to any (x) Bridge Loan Liens, (y) Prior Liens or (z) liens perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (the foregoing clauses (y) and (z) being referred to collectively as the "**Permitted Senior Liens**"), senior liens, pursuant to section 364(d) of the Bankruptcy Code, on such DIP Collateral subject and subordinate only to Permitted Senior Liens (clauses (i) and (ii) together, the "**Tranche A DIP Liens**").

(b) Tranche B DIP Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, junior liens on all of the DIP Collateral subject and subordinate to any Permitted Senior Liens, the Tranche A DIP Liens, ~~and~~ the Bridge Loan Liens, and the Adequate Protection Liens (the "**Tranche B DIP Liens**").

(c) Liens Senior to Certain Other Liens. The DIP Liens shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtor or the Debtor's estate under section 551 of the Bankruptcy Code, (B) except to the extent the DIP Loan Documents expressly allow a postpetition lien to have priority over the DIP Liens, any postpetition liens granted by the Debtor to other persons or entities or otherwise arising after the Petition Date, including any liens or security interests granted in favor of any federal, state, municipal, or other governmental unit, commission, board, or court for any liability of the Debtor, or (C) any intercompany or affiliate liens or security interests against the Debtor; (ii) subordinated to or made *pari passu* with any other lien or security interest on the DIP Collateral under section 363 or 364 of the Bankruptcy Code; or (iii) subject to sections 510(c), 549, or 550 of the Bankruptcy Code. In no event shall any person or entity who pays (or, through the extension of credit to the Debtor, causes

to be paid) any of the DIP Obligations be subrogated, in whole or in part, to any rights, remedies, claims, privileges, liens, or priorities granted to or in favor of, or conferred upon, any DIP Secured Party by the terms of any DIP Loan Documents or this ~~Final~~ Order unless such person or entity contemporaneously causes payment in full of all of the DIP Obligations.

(d) Right to Challenging Competing Liens. The DIP Agent (at the direction of the DIP Lenders in accordance with the terms of the DIP Credit Agreement) shall have the right to challenge the validity, priority, perfection, extent, or amount of any lien or security interest filed against the Debtor that relates to DIP Collateral that purports to be senior to any DIP Lien, including any lien or security interest that, if found to be valid, enforceable, non-revocable, and perfected, would constitute a Prior Lien.

(e) Solely for the purposes of this ~~Final~~ Order, notwithstanding anything to the contrary herein or in the DIP Loan Documents, DIP Collateral shall not include any of the Debtor's (i) leasehold interests in equipment (aircraft, engines, flight simulators, or other equipment) leases or the equipment leased thereunder or (ii) equipment subject to financing arrangements (whether through secured loans, finance leases, or otherwise) and interests in the underlying financing agreements, in each case to the extent that the relevant lease or financing agreement prohibits or conditions the grant of a lien or the assignment of the lease or other financing agreement upon the consent of a non-debtor counterparty to the extent such consent (A) is not actually obtained (after the use of commercially reasonable efforts to obtain such consent) and (B) is required under applicable law to grant the applicable security interest.

4. Superpriority Claims.

(a) Allowed Claims. All DIP Obligations shall at all times constitute superpriority administrative expense claims against the Debtor (the "**DIP Superpriority**

Claims") that will, in accordance with section 364(c)(1) of the Bankruptcy Code, have priority over any and all administrative expenses of and unsecured claims against the Debtor now existing or hereafter arising, of any kind or nature whatsoever, including all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c), 726, and 1114 of the Bankruptcy Code (including those resulting from the conversion of the Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code), subject only to the Carve Out and, with respect to the DIP Superpriority Claims arising under the Tranche B Facility, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims. The DIP Superpriority Claims shall survive any conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case. Subject only to the Carve Out, and, with respect to the DIP Superpriority Claims arising under the Tranche B Facility, the Bridge Loan Obligations and the Adequate Protection Superpriority Claims, the DIP Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtor and its estate (excluding Avoidance Actions but including Avoidance Proceeds (as such terms are defined below)).

(b) Proceeds of Avoidance Actions. The DIP Superpriority Claims shall have recourse to all proceeds (the "**Avoidance Proceeds**") of all of the Debtor's claims and causes of action pursuant to sections 502(d), 544, 545, 547, 548, 549, 551, 553(b), 732(2), or 742(2) of the Bankruptcy Code (the "**Avoidance Actions**"), including all of the Debtor's claims and causes of actions pursuant to section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral or postpetition transfer of DIP Loan Proceeds.

5. Adequate Protection Liens.

(a) Pursuant to Sections 361 and 363(e) of the Bankruptcy Code, as adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral, the Bridge Lender is hereby granted continuing valid, binding, enforceable, and perfected postpetition security interests in and liens on the DIP Collateral (the "**Adequate Protection Liens**"), subject to the Carve Out, the Permitted Senior Liens, the Tranche A DIP Liens, and the Bridge Loan Liens.

(b) The Adequate Protection Liens, which became effective upon the entry of the Interim Order, and are ratified and continuing under this ~~Final~~ Order, shall not at any time be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtor or the Debtor's estate under section 551 of the Bankruptcy Code, (B) except to the extent of the DIP Liens and that the DIP Loan Documents expressly allow a postpetition lien to have priority over the DIP Liens, any postpetition liens granted by the Debtor to other persons or entities or otherwise arising after the Petition Date, including any liens or security interests granted in favor of any federal, state, municipal, or other governmental unit, commission, board, or court for any liability of the Debtor, (C) any intercompany or affiliate liens or security interests against the Debtor, or (D) the Tranche B DIP Liens; (ii) subordinated to or made *pari passu* with any other lien or security interest on the DIP Collateral under section 363 or 364 of the Bankruptcy Code except as set forth herein; or (iii) subject to sections 510(c), 549, or 550 of the Bankruptcy Code. In no event shall any person or entity who pays (or, through the extension of credit to the Debtor, causes to be paid) any of the Bridge Loan Obligations be subrogated, in whole or in part, to any rights, remedies, claims, privileges, liens, or priorities granted to or in favor of, or conferred upon, the

Bridge Lender by this Interim Order unless such person or entity contemporaneously causes payment in full of all of the Bridge Loan Obligations.

6. Adequate Protection Superpriority Claims. As further adequate protection to the Bridge Lender for any diminution in value of its interests in the Bridge Loan Collateral, the Bridge Lender is hereby granted an allowed superpriority administrative expense claim against the Debtor (the "**Adequate Protection Superpriority Claims**") that will, to the extent provided by section 507(b) of the Bankruptcy Code, have priority over any and all administrative expenses of and unsecured claims against the Debtor now existing or hereafter arising, of any kind or nature whatsoever, including all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c), 726, and 1114 of the Bankruptcy Code (including those resulting from the conversion of the Chapter 11 Case pursuant to section 1112 of the Bankruptcy Code), subject only to the Carve Out, the DIP Superpriority Claims arising under the Tranche A DIP Facility (but not those arising under the Tranche B DIP Facility), and the Bridge Loan Obligations. The Adequate Protection Superpriority Claims shall survive any conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code or the dismissal of the Chapter 11 Case. Subject only to the Carve Out and the DIP Superpriority Claims arising under the Tranche A DIP Facility (but not those arising under the Tranche B DIP Facility), and the Bridge Loan Obligations, the Adequate Protection Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Debtor and its estate (excluding Avoidance Actions but including Avoidance Proceeds).

7. Adequate Protection Payments. The Debtor is authorized and directed to provide further adequate protection to the Bridge Lender in the form of payment in cash of

(a)accrued interest on the Bridge Loans at the non-default rate due under the Bridge Loan Documents (with the Bridge Lender's right to pursue payment of interest at the default rate preserved); (b) promptly upon entry of this ~~Final~~ Order, the reasonable and documented out-of-pocket fees, costs, and expenses incurred by the Bridge Lender, owed by the Debtor pursuant to the Bridge Loan Documents and arising prior to the Petition Date, including reasonable and documented out-of-pocket fees and expenses of White & Case LLP; and (c) in accordance with the procedures set forth in paragraph 17 hereof, the reasonable and documented out-of-pocket fees, costs, and expenses incurred by the Bridge Lender due pursuant to the Bridge Loan Documents, owed by the Debtor pursuant to the Bridge Loan Documents, and arising on or after the Petition Date, including reasonable and documented out-of-pocket fees and expenses of White & Case LLP.

8. Repayment of DIP Obligations. The DIP Obligations shall be due and payable, and shall be paid, as and when provided in the DIP Loan Documents and as provided herein, without defense, offset, or counterclaim. Without limiting the generality of the foregoing, in no event shall the Debtor be authorized to offset or recoup any amounts owed, or allegedly owed, by any DIP Secured Party to the Debtor or any of its respective subsidiaries or affiliates against any of the DIP Obligations without the prior written consent of the DIP Secured Parties, if any, that would be adversely affected by any such offset or recoupment, and no such consent shall be implied from any action, inaction or acquiescence by any DIP Secured Party.

9. Payments Free and Clear. All payments or proceeds remitted to the Bridge Lender as adequate protection or the DIP Agent by or on behalf of the Debtor pursuant to the DIP Loan Documents, the provisions of this ~~Final~~ Order, or any subsequent order of this Court, shall be received free and clear of any claim, charge, assessment, or other liability,

including any such claim or charge arising out of or based on, directly or indirectly, section 506(c) or the "equities of the case" exception of section 552(b) of the Bankruptcy Code.

10. Fees and Expenses of Estate Professionals. Subject to paragraphs 12 and 13 below, the Debtor is authorized to use proceeds of DIP Loans to pay such compensation and expense reimbursement (collectively, "**Professional Fees**") of professional persons (including attorneys, financial advisors, accountants, investment bankers, appraisers, and consultants, in each case to the extent such professional person's retention is subject to court approval) retained pursuant to section 327, 330, 331, or 1103 of the Bankruptcy Code, as applicable, by the Debtor (such retained professionals, the "**Debtor's Professionals**") or a Creditors' Committee, (such retained professionals, the "**Committee Professionals**" and, collectively with the Debtor's Professionals, the "**Professionals**"), to the extent that such compensation and expense reimbursement is authorized and approved by the Court at any time.

11. Section 506(c) Claims. Except to the extent of the Carve Out, no costs or expenses of administration shall be imposed upon any DIP Secured Party or on any DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or otherwise without the prior written consent of such DIP Secured Party, and no such consent shall be implied from any action, inaction, or acquiescence by any DIP Secured Party. Further, the Debtor waives, and shall not assert in this Chapter 11 Case or any Successor Case, any surcharge claim under sections 105(a) and/or 506(c) of the Bankruptcy Code or otherwise with respect to the DIP Obligations, the DIP Liens, the Bridge Loan Obligations, or the Bridge Loan Liens.

12. Carve Out.

(a) Notwithstanding anything to the contrary in this ~~Final~~ Order, any other DIP Loan Document, or any other order of this Court to the contrary, the rights and claims of

the DIP Lenders, including the DIP Liens and DIP Superpriority Claims, shall be subject and subordinate in all respects to the payment of the Carve Out. As used in this ~~Final~~ Order, "**Carve Out**" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the United States Trustee under sections 156(c) and 1930(a) of title 28 of the United States Code plus interest, if any, as set forth in section 3717 of title 31 of the United States Code (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $150,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice (as defined below), whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (including any restructuring, sale, success, or other transaction fee of any investment bankers or financial advisors) accrued or incurred by the Professionals (such fees and expenses, the "**Allowed Professional Fees**") at any time before or on the first business day following the day on which a Carve Out Trigger Notice is delivered by the DIP Agent in accordance with this paragraph 12 (such date of delivery, the "**Termination Declaration Date**"); and (iv) Allowed Professional Fees incurred after the first business day following the Termination Declaration Date, to the extent allowed at any time, whether by interim order, procedural order, or otherwise, in an aggregate amount not to exceed $2,000,000 less the amount of any prepetition retainers received by the Professionals and not applied to the fees, disbursements, costs, and expenses set forth in clause (iii) above (the amount set forth in this clause (iv), the "**Post-Carve Out Trigger Notice Cap**"). For purposes of the foregoing, "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the DIP Agent (at the direction of the Tranche A DIP Lenders until such time as the Tranche A DIP

Obligations have been satisfied in full, and then at the direction of the Tranche B DIP Lenders) to the Debtor, its lead restructuring counsel, the U.S. Trustee, and counsel to any Creditors' Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) On the Termination Declaration Date, the Carve Out Trigger Notice shall constitute a demand to the Debtor to utilize all cash on hand as of such date to fund a reserve in an amount equal to the then-unpaid amounts of the Allowed Professional Fees within one business day of the Termination Declaration Date; *provided* that in the event that a Termination Declaration Date occurs, each Professional shall have two business days to deliver to the Debtor such Professional's good faith estimate of the Allowed Professional Fees incurred through the Termination Declaration Date, and the Debtor shall fund into the Carve Out Account (as defined below) such amounts within one business day of receipt of such estimates. The Debtor shall deposit and hold such amounts (the "**Pre-Carve Out Trigger Notice Reserve**") in the Carve Out Account in trust to pay such then-unpaid Allowed Professional Fees prior to any and all other Allowed Professional Fees. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtor to utilize all cash on hand as of such date and any available cash thereafter held by the Debtor, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtor shall deposit and hold such amounts (the "**Post-Carve Out Trigger Notice Reserve**" and, together with the Pre-Carve Out Trigger Notice Reserve, the "**Carve Out Reserves**") in a segregated account (the "**Carve Out Account**") at an institution reasonably designated by the DIP Agent (at the direction of the

Tranche A DIP Lenders until such time as the Tranche A DIP Obligations have been satisfied in full, and then the Tranche B DIP Lenders) in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap prior to any and all other Allowed Professional Fees. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "**Pre-Carve Out Amounts**") until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to repay the DIP Obligations, unless the DIP Obligations have been indefeasibly paid in full and all DIP Commitments have been terminated, in which case such remaining funds shall be retained by the Debtor. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "**Post-Carve Out Amounts**") until paid in full, and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to repay the DIP Obligations, unless the DIP Obligations have been indefeasibly paid in full and all DIP Commitments have been terminated, in which case such remaining funds shall be retained by the Debtor.

(c) Notwithstanding anything to the contrary in this ~~Final~~ Order or the other DIP Loan Documents, following delivery of a Carve Out Trigger Notice, none of the DIP Secured Parties shall be permitted to sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtor in the Carve Out Account, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the DIP Agent for application to the DIP Obligations in accordance with the DIP Loan Documents and this paragraph 12. Further, notwithstanding anything to the contrary in this ~~Final~~ Order or the other DIP Loan Documents, (i) disbursements by the Debtor from

the Carve Out Account shall not constitute DIP Loans or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, (iii) in no way shall the Approved Budget, Carve Out, Post-Carve Out Trigger Notice Cap, Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtor, and (iv) the Carve Out as provided for and capped by this ~~Final~~ Order shall be senior to and have priority over all liens securing the DIP Obligations and the DIP Superpriority Claims. Notwithstanding the foregoing, subject to the terms of any applicable retention orders entered by the Court, the DIP Secured Parties reserve all of their rights to challenge or otherwise object to any of the fees or expenses sought to be approved by any of the Professionals.

(d) Any payment or reimbursement made prior to the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out. Any payment or reimbursement made on or after the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis.

(e) None of the DIP Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional incurred in connection with the Chapter 11 Case or any Successor Case. Nothing in this ~~Final~~ Order or otherwise shall be construed to obligate the DIP Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional or to guarantee that the Debtor has sufficient funds to pay such compensation or reimbursement.

13. DIP Proceeds Restrictions. Neither the Carve Out nor any DIP Loan Proceeds or DIP Collateral shall be used to, among other things (any of the following each a "**Prohibited Purpose**"): (a) object to, seek subordination of, or contest the validity, extent, perfection, priority, or enforceability of the DIP Facility or the amount due thereunder and the superpriority claims granted thereby, the DIP Liens, the Bridge Loan Facilities or the amount due thereunder, or the Bridge Loan Liens; (b) investigate, initiate, assert, or prosecute any claim, defense, demand, or cause of action against the DIP Agent, the DIP Lenders, or the Bridge Lender, or any of their respective officers, directors, employees, agents, attorneys, representatives, subsidiaries, affiliates, or shareholders, under or relating to the DIP Facility, including, in each case, any action, suit or other proceeding for breach of contract or tort or pursuant to sections 105, 506, 510, 544, 547, 548, 549, 550, 552, or 553 of the Bankruptcy Code, or under any other applicable law (state, federal, or foreign), or otherwise; (c) prevent, hinder, or delay, whether directly or indirectly, any DIP Secured Party's or the Bridge Lender's assertion or enforcement of its liens and security interests, or its efforts to realize upon any DIP Collateral or Bridge Loan Collateral or the claims authorized or granted under the DIP Loan Documents or the Bridge Loan Documents, as applicable, or exercise any other rights and remedies under the DIP Loan Documents or Bridge Loan Documents, as applicable, or applicable law; (d) seek to modify any of the rights granted under this ~~Final~~ Order to any DIP Secured Party or the Bridge Lender; (e) assert any defense, counterclaim, or offset to this ~~Final~~ Order, any DIP Obligations, or any Bridge Loan Obligations; or (f) object to, contest, delay, prevent, or interfere in any way with the exercise of rights or remedies by any DIP Secured Party with respect to any DIP Collateral, after the occurrence and during the continuance of an Event of Default (as defined in the DIP Credit Agreement); *provided*, *however*, that the Carve

Out and such DIP Loan and DIP Collateral proceeds may be to pay the allowed fees and expenses, in an amount not to exceed $100,000 in the aggregate (the "**Investigation Budget Amount**"), incurred solely by a Creditors' Committee (if appointed), in investigating (but not prosecuting or challenging) the validity, enforceability, perfection, priority, or extent of the Bridge Loan Liens within 60 calendar days following the date of entry of this ~~Final~~ Order, unless otherwise extended by the Court.

14. Effect of Stipulations on Third Parties.

(a) Generally. The Debtor's Stipulations are and shall be irrevocably binding on the Debtor. All creditors and parties in interest and all of their successors in interest and assigns, including a Creditors' Committee (if appointed), shall also be bound by the Debtor's Stipulations unless, and solely to the extent that, any creditor, a party in interest or Creditors' Committee, in each case that has sought and obtained standing and the requisite authority to commence a Challenge (as defined below) (other than the Debtor, as to which any Challenge is irrevocably waived and relinquished) (i) has timely filed the pleadings, and timely commenced the proceeding required under the Bankruptcy Code and Bankruptcy Rules, including as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitation set forth in this paragraph 14), challenging any of the Debtor's Stipulations (each such proceeding or pleading commencing a proceeding or other contested matter, a "**Challenge**") by the earlier of (A) the date of entry of an order confirming a plan for the Debtor and (B) the later of (1) for a Creditors' Committee (if appointed), 60 days from the entry of this ~~Final~~ Order, or (2) 75 days following the entry of ~~the Final~~this Order for any other party in interest with requisite standing (the earlier to occur of (A) and (B), the "**Challenge Deadline**"), as such applicable date may be extended in writing from time to time in the sole discretion of the

Bridge Lender or by this Court for good cause shown pursuant to an application filed by a party in interest prior to the expiration of the Challenge Deadline, and (ii) this Court enters judgment in favor of the plaintiff or movant in any such timely commenced Challenge proceeding and any such judgment has become a final judgment that is not subject to any further review or appeal.

(b) Binding Effect. To the extent no Challenge proceeding is timely commenced by the Challenge Deadline, or to the extent such proceeding does not result in a final and non-appealable judgment of this Court that is inconsistent with the Debtor's Stipulations, then, without further notice, motion, or application to, order of, or hearing before, this Court, the Debtor's Stipulations shall, pursuant to this ~~Final~~ Order, become binding, conclusive, and final on any person, entity, or party in interest in this Chapter 11 Case, and their respective successors and assigns, and in any Successor Case for all purposes, and shall not be subject to challenge or objection by any party in interest, including a trustee, responsible individual, examiner with expanded powers, or other representatives of the Debtor's estate. Notwithstanding anything to the contrary herein, if any such proceeding is timely commenced, the Debtor's Stipulations shall nonetheless remain binding on all other parties in interest and preclusive as provided in subparagraph (a) above except to the extent that any of the Debtor's Stipulations is expressly the subject of a timely filed Challenge, which Challenge is successful as set forth in a final judgment as provided in subparagraph (a) above. To the extent any such Challenge proceeding is timely commenced, as adequate protection, the Bridge Lender shall be entitled to payment of the reasonable related costs and expenses, including reasonable and documented attorneys' fees of one law firm and, to the extent necessary, one local counsel in each relevant jurisdiction, incurred in defending itself in any such proceeding. Upon a

successful Challenge brought pursuant to this paragraph 14, the Court may fashion any appropriate remedy.

15. Reservation of Rights.

(a) Protection from Subsequent Financing Order. Prior to the payment in full of all DIP Obligations and Bridge Loan Obligations and the termination of funding commitments under the DIP Facility in accordance with the terms of the DIP Loan Documents and the Bridge Loan Facilities in accordance with the terms of the Bridge Loan Documents, there shall not be entered in this Chapter 11 Case or in any Successor Case any order other than with the consent of the Bridge Lender, the DIP Agent, and the requisite DIP Lenders (as provided for in the DIP Loan Documents) that authorizes the obtaining of credit or the incurrence of indebtedness by the Debtor (or any trustee or examiner) that is: (i) secured by a security interest, mortgage, or other lien on all or any part of the DIP Collateral that is equal or senior to the DIP Liens or the Adequate Protection Liens or (ii) entitled to claims with payment priority that is equal or senior to the DIP Superpriority Claims or the Adequate Protection Superpriority Claims; *provided, however*, that nothing herein shall prevent the entry of an order that specifically provides for, as a condition to the granting of the benefits of clauses (i) and (ii) above, (1) the payment in full of all of the DIP Obligations and the Bridge Loan Obligations and (2) the termination of any funding commitments under the DIP Loan Documents and the Bridge Loan Documents.

(b) Rights Upon Dismissal, Conversion, or Consolidation. The dismissal, conversion, or substantive consolidation of the Chapter 11 Case shall not affect the rights or remedies of any DIP Secured Party or the Bridge Lender under the DIP Loan Documents or this ~~Final~~ Order, and all of the respective rights and remedies hereunder and thereunder of each

DIP Secured Party and the Bridge Lender shall remain in full force and effect as if such Chapter 11 Case had not been dismissed, converted, or substantively consolidated.

(c) Survival of Final Order. This ~~Final~~ Order, and any actions taken pursuant hereto, shall survive the entry of and shall not be modified, superseded, impaired, discharged, or in any way altered, without the consent of the DIP Secured Parties, by any order that may be entered: (i) confirming any plan of reorganization or liquidation in the Debtor's Chapter 11 Case; (ii) converting the Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; (iii) dismissing the Debtor's Chapter 11 Case or any Successor Case; or (iv) pursuant to which the Court abstains from hearing the Chapter 11 Case or any Successor Case. The terms and provisions of this ~~Final~~ Order, including the claims, liens, security interests, and other protections granted to the DIP Secured Parties and the Bridge Lender pursuant to this ~~Final~~ Order or the other DIP Loan Documents, shall continue in full force and effect notwithstanding the entry of any such order, and such rights, claims and liens shall maintain their priority as provided by this ~~Final~~ Order and the other DIP Loan Documents to the maximum extent permitted by law until all of the DIP Obligations are indefeasibly paid in full in accordance with the DIP Loan Documents.

(d) No Discharge. None of the DIP Obligations shall be discharged by the entry of any order confirming a plan of reorganization or liquidation in this Chapter 11 Case, unless such obligations have been indefeasibly paid in full in accordance with the DIP Loan Documents on or before the effective date of such plan, or each of the DIP Secured Parties has otherwise agreed in writing, and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtor has waived such discharge.

(e) Credit Bid Protection. The DIP Secured Parties shall have, subject to section 363(k) of the Bankruptcy Code, the unqualified right to credit bid up to the full amount of the DIP Obligations and the DIP Superpriority Claims, without the need for further Court order authorizing the same, in connection with any sale of any of the DIP Collateral, whether such sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise. The Debtor shall not object to or support any objection to any DIP Secured Party credit bidding up to the full amount of its outstanding DIP Obligations in accordance with the applicable DIP Loan Documents in any sale of any DIP Collateral, whether such sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise.

(f) No Marshaling. In no event shall any DIP Secured Party be subject to the equitable doctrine of "marshaling" or any similar doctrine with resect to any DIP Collateral.

(g) No Requirement to File Claim for DIP Obligations. Notwithstanding anything to the contrary contained in any prior or subsequent order of the Court, including any order establishing a deadline for the filing of proofs of claim or requests for payment of administrative expenses under section 503(b) of the Bankruptcy Code, no DIP Secured Party or Bridge Lender shall be required to file any proof of claim or request for payment of administrative expenses with respect to any of the DIP Obligations or the Bridge Loan Obligations, all of which shall be due and payable in accordance with the DIP Loan Documents and the Bridge Loan Documents applicable thereto without the necessity of filing any such proof of claim or request for payment of administrative expenses; and the failure to file any such proof of claim or request for payment of administrative expenses shall not affect the

validity, priority, or enforceability of any of the DIP Loan Documents or the Bridge Loan Documents or of any DIP Obligations or Bridge Loan Obligations arising at any time thereunder, or prejudice or otherwise adversely affect any DIP Secured Party or any Bridge Lender's rights, remedies, powers, or privileges under any of the DIP Loan Documents, the Bridge Loan Documents, this ~~Final~~ Order, or applicable law.

16. Automatic Perfection of Liens. Effective when the Interim Order was entered, and ratified and continuing with the entry of this ~~Final~~ Order, the DIP Liens and Adequate Protection Liens are effective, valid, binding, enforceable, and duly perfected. None of the DIP Secured Parties or the Bridge Lender shall be required to file any UCC-1 financing statement, mortgage, deed of trust, assignment, pledge, security deed, notice of lien, or any similar document or instrument in any jurisdiction or take any other action (including taking possession of any of the DIP Collateral) in order to validate the perfection of any DIP Liens or the Adequate Protection Liens, but all of such filings and other actions are hereby authorized by the Court. If the DIP Agent or Bridge Lender, in its discretion, chooses to file or record any such mortgage, deed of trust, assignment, pledge, security deed, notice of lien, or UCC-1 financing statement, or take any other action in any jurisdiction to evidence the perfection of any part of the DIP Liens or the Adequate Protection Liens, as applicable, the Debtor and its respective officers are authorized and directed to use commercially reasonable efforts to execute, file, and record any documents or instruments as the DIP Agent or the Bridge Lender, as applicable, may reasonably request, and all such documents and instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this ~~Final~~ Order. The DIP Agent or Bridge Lender may, in its reasonable discretion, file a certified copy of this ~~Final~~ Order in any filing office in any jurisdiction in which the Debtor is organized or has or

maintains any DIP Collateral or an office, and each filing office is directed to accept such certified copy of this ~~Final~~ Order for filing and recording. The DIP Agent, the DIP Lenders, or the Bridge Lender may require the Debtor to enter into non-U.S. security documentation with respect to such DIP Collateral located in non-U.S. jurisdictions, and the Debtor and its respective officers are authorized and directed to use commercial reasonable efforts to execute, file, and record any documents or instruments as the DIP Agent, the DIP Lenders, or the Bridge Lender may reasonably request, and all such documents and instruments shall be deemed to have been filed or recorded at the time and on the date of entry of this ~~Final~~ Order.

17. Reimbursement of Fees, Costs, and Expenses of DIP Secured Parties and the Bridge Lender. The Debtor shall reimburse the DIP Secured Parties for their reasonable and documented out-of-pocket fees, costs, and expenses, whether accrued on, prior to, or after the Closing Date, in connection with (a) the preparation, negotiation, execution, and administration of the DIP Loan Documents and any other document prepared in connection therewith or the consummation and administration of any transaction contemplated therein, including any amendment or waiver of the DIP Loan Documents, (b) the funding of the DIP Loans, (c) the creation, perfection, or protection of the DIP Liens (including all search, filing and recording fees), (d) internal audit reviews and field examinations, (e) the enforcement or preservation of any right or remedy under any DIP Loan Document, any DIP Obligation, or with respect to the DIP Collateral, (f) the commencement, defense, conduct of, intervention in, or the taking of any other action (including preparation for and/or response to any subpoena or request for document production relating thereto) with respect to, any proceeding related to the Debtor, any DIP Loan Document or DIP Obligation, (g) the review of pleadings and other filings made with the Bankruptcy Court, (h) attendance at hearings in respect of the Chapter 11 Case, (i)

any refinancing or restructuring of the DIP Loans in the nature of a "work-out," and (j) defending and prosecuting any actions or proceedings arising out of or relating to the DIP Obligations or any transactions related to arising in connection with the DIP Loan Documents; *provided* that, in the case of each of the foregoing clauses (a)-(j), such fees, costs, and expenses of counsel shall be limited to one law firm on behalf of all DIP Secured Parties and, to the extent necessary, one local counsel in each relevant jurisdiction (and in the case of an actual or perceived conflict of interest, one additional law firm on behalf of the affected DIP Secured Party). Each professional (including, pursuant to paragraph 7, those retained by the Bridge Lender) or party shall provide copies of applicable invoices (which invoices may be redacted or summarized for protection of an applicable privilege or the work product doctrine) (the fees thereunder, the "**Invoiced Fees**") to lead restructuring counsel to the Debtor, counsel to any Creditors' Committee, and the U.S. Trustee, which invoices shall, for any law firm or other counsel, include (i) a general, brief description of the nature of the matters for which services were performed, (ii) a list of the relevant attorneys and total hours billed by each for the relevant period, and (iii) such other detail regarding the Invoiced Fees as the U.S. Trustee may reasonably request to be provided on a confidential basis. Any objections raised by the Debtor, the U.S. Trustee, or the Creditors' Committee challenging any portion of the Invoiced Fees (such portion, the "**Disputed Invoiced Fees**") must be in writing and state with particularity the grounds therefor and must be submitted to the applicable professional or party within ten business days of receipt (the "**Review Period**") and, if after the Review Period an objection remains unresolved, such objection will be subject to resolution by the Court. After the Review Period, the undisputed portion of Invoiced Fees will be paid promptly by the Debtor, without the necessity of filing formal fee applications, regardless of whether such

amounts arose or were incurred before or after the Petition Date. Notwithstanding the foregoing, the Debtor is authorized to pay any such costs, fees, and expenses required as a condition precedent to the obligations of the DIP Lenders pursuant to the DIP Credit Agreement without the need to provide notice to any other party or otherwise comply with the procedures set forth in this paragraph 17 and without any further application to or order of this Court. The Debtor shall pay any Disputed Invoiced Fees promptly upon resolution of the objection, including to the extent resolved through approval by the Court, to the extent of such approval. In no event shall any invoice or other statement submitted by any DIP Secured Party or the Bridge Lender to the Debtor, the Creditors' Committee, the U.S. Trustee, or any other interested person (or any of their respective Professionals) with respect to fees or expenses incurred by any professional retained by such DIP Secured Party or the Bridge Lender operate to waive the attorney/client privilege, the work-product doctrine, or any other evidentiary privilege or protection recognized under applicable law.

18. Amendments and Waivers. The Debtor and the DIP Secured Parties are hereby authorized to enter into, in accordance with the terms of the applicable DIP Loan Documents and without further order of the Court, any amendments to, modifications of, or waivers with respect to any of such DIP Loan Documents (and the payment of any fees, expenses, or other amounts payable in connection therewith) on the following conditions: (a) the amendment, modification, or waiver must not constitute a material change to the terms of such DIP Loan Document; and (b) copies of the amendment, modification, or waiver must be served upon counsel for any Creditors' Committee and the U.S. Trustee. Any amendment, modification, or waiver that constitutes a material change, to be effective, must be approved by the Court. For purposes hereof, a "material change" shall mean a change to a DIP Loan

Document that operates to shorten the term of the DIP Facility or the maturity of the DIP Obligations, to increase the aggregate amount of the DIP Commitments, to increase the rate of interest other than as currently provided in or contemplated by such DIP Loan Documents, to add specific Events of Default, or to enlarge the nature and extent of remedies available to the DIP Agent following the occurrence of an Event of Default. Without limiting the generality of the foregoing, no amendment of a DIP Loan Document that postpones or extends any date or deadline therein or herein (including the expiration of the term of a DIP Facility), nor any waiver of an Event of Default, shall constitute a "material change" and any such amendment may be effectuated by the Debtor and the DIP Secured Parties without the need for further approval of the Court.

19. Events of Default; Remedies.

(a) Notice of Default. Upon the occurrence of an Event of Default under (and as defined in) any DIP Loan Document and during the continuance thereof: (i) the DIP Lenders may declare, on a pro rata basis, all or any portion of the DIP Facility to be suspended or terminated, whereupon such DIP Facility shall forthwith be suspended or terminated; (ii) the Debtor shall have no right to request any extension of credit under the DIP Facility or to use DIP Loan Proceeds or any DIP Collateral or proceeds of DIP Collateral other than towards the satisfaction of the Bridge Loan Obligations, the DIP Obligations, and the Carve Out, as provided herein, and (iii) subject to the terms of the DIP Credit Agreement, the DIP Agent may in its discretion serve upon counsel for the Debtor, counsel for any Creditors' Committee, and the U.S. Trustee a written notice (a "**Default Notice**") setting forth the Events of Default, in which event (unless the Court determines that no Event of Default exists or continues to exist, after notice and a hearing) effective five business days after the

Default Notice is filed (the "**Remedies Notice Period**"), the DIP Agent and the Bridge Lender shall be deemed to have received complete relief from the automatic stay imposed by section 362(a) of the Bankruptcy Code (and any other stay then in effect) and shall be authorized, without further notice to the Debtor or any other interested party or any further order of this Court, to (A) declare all or any portion of the unpaid principal amount of all outstanding DIP Loans or Bridge Loans, as applicable, all interest accrued and unpaid thereon, and all other amounts owing or payable under any of the DIP Loan Documents or Bridge Loan Documents, as applicable, to be immediately due and payable, (B) demand payment and enforce collection of all DIP Obligations, and (C) otherwise exercise all rights and remedies available to them under the DIP Loan Documents or the Bridge Loan Documents, as applicable. During the Remedies Notice Period, the Debtor and any Creditors' Committee shall be entitled to seek an emergency hearing with the Court (such hearing, a "**Remedies Hearing**"). In any Remedies Hearing the Debtor shall waive its right to and shall not be entitled to seek relief, including under section 105 of the Bankruptcy Code, to the extent that such relief would impair or restrict the rights and remedies of the DIP Agent or the Bridge Lenders as set forth in this ~~Final~~ Order or in any of the other DIP Loan Documents or Bridge Loan Documents, as applicable, and the only issue that may be raised by the Debtor is whether, in fact, an Event of Default has occurred. Prior to the adjudication of the Remedies Hearing, the Debtor may use the proceeds of the DIP Facility (to the extent drawn prior to the occurrence of an Event of Default) solely to fund essential operations in accordance with past practice, the DIP Loan Documents, and the Approved Budget. Upon the effectiveness of any relief from the automatic stay granted or deemed to have been granted pursuant to this paragraph 19(a), each of the DIP Agent and Bridge Lender may, in its discretion, take all

actions and exercise all other rights and remedies under this ~~Final~~ Order, the other DIP Loan Documents, the Bridge Loan Documents, and applicable law that may be necessary or deemed appropriate to collect any of the DIP Obligations or Bridge Loan Obligations, as applicable, and otherwise enforce any of the provisions of this ~~Final~~ Order. The DIP Agent's or Bridge Lender's delay or failure to exercise rights and remedies under any DIP Loan Documents, this ~~Final~~ Order, the Bridge Loan Documents, or applicable law shall not constitute a waiver of any of its rights and remedies hereunder, thereunder, or otherwise, unless any such waiver is pursuant to a written instrument executed by the DIP Agent or Bridge Lender, as applicable.

(b) Rights Cumulative. The rights, remedies, powers, and privileges conferred upon any DIP Secured Party and the Bridge Lender pursuant to this ~~Final~~ Order shall be in addition to and cumulative with those contained in the other applicable DIP Loan Documents and Bridge Loan Documents and created under applicable law.

20. Modification of Automatic Stay. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby modified to the extent necessary to implement the provisions of this ~~Final~~ Order and the DIP Loan Documents, thereby permitting the DIP Agent, as and to the extent provided herein, to receive proceeds of the DIP Collateral for application to the DIP Obligations, to file or record any UCC-1 financing statements, mortgages, deeds of trust, assignments, pledges, security deeds, or other instruments and documents evidencing or validating the perfection of any DIP Liens, and to enforce any DIP Liens; and the Bridge Lender, as and to the extent provided herein, to receive adequate protection.

21. Effect of Appeal. Consistent with section 364(e) of the Bankruptcy Code, if any or all of the provisions of this ~~Final~~ Order are hereafter modified or reversed, such modification or reversal on appeal shall not affect the validity of any debt so incurred, or any

liens or priorities granted by the Debtor to any DIP Secured Party, prior to the effective date of such modification or reversal, whether or not any such entity knew of the appeal, unless the authorization and incurring of such debt, or the granting of such lien or priority, were stayed pending appeal.

22. Service of Final Order. Promptly after the entry of this ~~Final~~ Order, the Debtor shall serve copies of this ~~Final~~ Order to the parties having been given notice of the Final Hearing.

23. No Deemed Control; Exculpation.

(a) In determining to make any DIP Loans under the DIP Loan Documents, or in exercising any rights or remedies as and when permitted pursuant to this ~~Final~~ Order or the other DIP Loan Documents, no DIP Secured Party shall be deemed to be in control of the Debtor or its operations with respect to the operation or management of such Debtor, nor shall the DIP Secured Parties (in their respective capacities as such) owe any fiduciary duty to the Debtor, its creditors, shareholders, or estate.

(b) None of the DIP Loan Documents or any other document related to the DIP Facility shall in any way be construed or interpreted to impose or allow the imposition upon any DIP Secured Party any liability for any claims arising from the prepetition (subject to paragraph 14) or postpetition activities of the Debtor in the operation of its business or in connection with its restructuring efforts. So long as a DIP Secured Party complies with its obligations under the applicable DIP Loan Documents and applicable law: (i) such DIP Secured Party shall not, in any way or manner, be liable or responsible for (A) the safekeeping of the DIP Collateral, (B) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (C) any diminution in the value thereof, or (D) any act or default of any

carrier, servicer, bailee, custodian, forwarding agency, or other person or entity; and (ii) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the Debtor.

24. Binding Effect; Successors and Assigns. The provisions of this ~~Final~~ Order shall be binding upon all parties in interest in this Chapter 11 Case, including the Debtor, the DIP Secured Parties, and its and their respective successors and assigns (including any chapter 11 or chapter 7 trustee hereafter appointed for the estate of the Debtor, any examiner appointed pursuant to section 1104 of the Bankruptcy Code, any Creditors' Committee, or any other fiduciary appointed as a legal representative of the Debtor or with respect to any property of the estate of the Debtor), and shall inure to the benefit of the Debtor, the DIP Secured Parties, and its and their respective successors and assigns. In no event shall any DIP Secured Party have any obligation to make DIP Loans to, or permit the use of the DIP Collateral by, any chapter 7 trustee, chapter 11 trustee, or similar responsible person appointed or elected for the estate of the Debtor.

25. Objections Overruled. Any and all objections to the relief requested in the Motion, to the extent that such objections are to entry of this ~~Final~~ Order and that have not otherwise been withdrawn, waived, or resolved by consent at or before the Final Hearing, and all reservations of rights included therein, are hereby OVERRULED and DENIED.

26. Conditions Precedent. No DIP Lender shall have any obligation to make any DIP Loans, or otherwise fulfil any obligation of such DIP Lender set forth in the DIP Loan Documents, unless the conditions precedent to making such extensions of credit or fulfilling any such obligation under the DIP Loan Documents have been satisfied in full or waived in accordance with the DIP Loan Documents.

27. Section 552(b). The Bridge Lender shall be entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code and the "equities of the case" exception under Section 552(b) of the Bankruptcy Code shall not apply to the Bridge Lender with respect to proceeds, product, offspring, or profits of any of the Bridge Loan Collateral.

28. Effectiveness; Enforceability. This ~~Final~~ Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this ~~Final~~ Order shall be valid, take full effect, and be enforceable immediately upon entry hereof; there shall be no stay of execution or effectiveness of this ~~Final~~ Order; and any stay of the effectiveness of this ~~Final~~ Order that might otherwise apply is hereby waived for cause shown.

29. Inconsistencies. To the extent that any provision in the other DIP Loan Documents are inconsistent with any of the provisions of this ~~Final~~ Order, the provisions of this ~~Final~~ Order shall govern and control.

30. Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this ~~Final~~ Order.

31. Notwithstanding anything to the contrary in this Order, any legal rights and remedies afforded to the credit card processors that are party to the Merchant Services Agreements described in Paragraph 20 of the *Interim Order Authorizing (A) Debtor to Maintain and Use Existing Cash Management Systems, Bank Accounts, and Business Forms; (B) Financial Institutions to Honor and Process Related Checks and Transfers; and (C) Granting Related Relief* entered in this Chapter 11 Case, under such Merchant Services

Agreements, credit card network regulations or applicable law, including, without limitation, reserve and setoff rights, shall be preserved.

Dated: ._____, 2021
New York, New York

_____.
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Annex A

DIP Credit Agreement

Annex B

Approved Budget

EXHIBIT I

Revised Proposed RSA Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER AUTHORIZING THE DEBTOR TO ASSUME, AND PERFORM UNDER, RESTRUCTURING SUPPORT AGREEMENTS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for the entry of an order (this "**Order**"), pursuant to section 363(b)(1) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") authorizing the Debtor to assume and perform under the RSAs listed on Schedule 1, all as more fully set forth in the Motion; and the Court having 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, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having found that the assumption of the RSAs does not constitute a solicitation for purposes of sections 1125 and 1126 of the Bankruptcy Code; and this Court

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

[2] Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed to such terms in the Motion.

having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that such relief is in the best interest of the Debtor, its estate, its creditors and all parties in interest; and any objections to the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth therein.

2. The RSAs and their terms are approved in their entirety pursuant to sections 363(b)(1) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

3. The Debtor is authorized to assume the RSAs and to take all actions to comply with and implement the terms thereof, pursuant to sections 363(b)(1) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 9019, and the RSAs shall be assumed effective upon the entry of this Order.

4. The Debtor's entry into and performance under the RSAs shall not constitute a solicitation of votes in violation of section 1125 of the Bankruptcy Code.

5. The RSAs shall be binding and enforceable in accordance with its terms against each of the parties thereto and their successors and assigns.

6. For avoidance of doubt, the Amendment Agreements shall become effective only upon the effective date of a Plan that is consistent with the terms of the Plan Term Sheet attached to the RSAs (the "**Proposed Plan**") and the applicable RSA and the satisfaction of the other conditions to effectiveness set forth therein. With respect to Airbus, during any period prior to

the effective date of the Proposed Plan and the Amendment Agreements, the Debtor shall not assert any right or claim against Airbus in respect of any delay in performance, whether excusable or non-excusable, or non-performance by Airbus thereunder to the extent the Airbus's performance or non-performance under the Existing Documents comports with the Amendment Agreements and not the Existing Documents.

7. The "Restructuring Expenses" set forth in the RSAs are allowed as administrative expenses of the Debtor under sections 503(b) and 507 of the Bankruptcy Code and the Debtor is authorized to make payment of such Restructuring Expenses to the applicable Supporting Creditors in accordance with the applicable RSA.

8. The failure to describe specifically or include any particular provision of the RSAs in the Motion or this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Debtor's entry into the RSAs and performance thereunder are approved in their entirety.

9. The Debtor is authorized to file additional RSAs that are agreed upon after the entry of this Order, under notice of presentment with a seven-day objection period.

10. The parties to the RSAs are authorized, but not directed, to enter into amendments to the RSAs from time to time as necessary, subject to the terms and conditions set forth in the RSAs and without further order of the Court.

11. The Debtor is hereby authorized, directed and empowered to take all actions, execute all documents, and make all payments that may be necessary to perform under the RSAs and implement the relief granted in this Order, and such actions shall not constitute a solicitation of acceptances or rejections of a plan pursuant to section 1125 of the Bankruptcy Code.

12. The RSAs shall be solely for the benefit of the parties thereto and no other person or entity shall be a third-party beneficiary thereof. No entity shall have any right to seek or enforce specific performance of the RSAs, other than the parties thereto.

13. To the extent the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are vacated and modified to enable the implementation of the RSAs and enable each of the Parties to enforce each applicable RSA's terms without the need for further court order, including, without limitation, permitting the applicable Supporting Creditors to exercise all rights and remedies under the applicable RSA in accordance with its terms, to terminate the RSAs in accordance with its terms and to deliver any notice contemplated thereunder, without further order of the Court.

14. In accordance with and subject to the terms of the applicable RSA and paragraph 15 hereof, the following Supporting Creditors shall have allowed claims against the Debtor as set forth below, without the need of such Supporting Creditors filing a proof of claim:

(a) Airbus shall have an allowed unsecured claim against the Debtor in the net amount of $1,557,629.06 for sales of parts and/or provision of services by Airbus under purchase orders that are not related to the Existing Documents (as defined in the applicable RSA), which claim shall (i) be and be deemed in full and final satisfaction of all claims that are not related to the Existing Documents and (ii) treated as an Ordinary Course Trade Claim as described in the Proposed Plan; *provided*, however, that the foregoing shall not limit or impair the Airbus's rights to assert an administrative or other claim permitted or otherwise allowed under the RSA or the Amendment Agreements, including additional Ordinary Course Trade Claims under certain purchase orders in the asserted amount of $1,944,839.25 that Airbus acknowledges is subject to reconciliation and agreement between itself and the Company, which claims shall also be treated as Ordinary Course Trade Claims as described in the Proposed Plan to the extent the amount is agreed and reconciled by the Parties.

(b) Asia United Bank Corporation shall have an allowed prepetition unsecured claim against the Debtor in the net amount of $75,486,656.25, which claim shall be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

(c) Philippine National Bank shall have a prepetition unsecured claim against the Debtor in the amount of ((x) US$113,776,031.03 plus (y) any accrued interest and any other amount which are due and payable under the SBLC Facility (as defined in the applicable RSA) and the Revolving Facility (as defined in the applicable RSA) as of the Petition Date less (z) the value of the Collateral, which has been agreed to be ₱1,360,963,000, which amount shall be converted into US Dollars using the exchange rate on the first Business Day prior to the Petition Date, as quoted at 4:00 p.m. (Manila Time), the BAP AM Weighted Average Rate of exchange for Philippine Pesos as published in Bloomberg, which claim shall (i) be and be deemed in full and final satisfaction of all claims related to the SBLC Facility and the Revolving Credit Facility, and (ii) be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

(d) Rolls-Royce PLC shall have: (i) a prepetition unsecured claim against the Debtor in the net amount of $89,496,109.00 (the "**RR Prepetition Unsecured Claim**"); and (ii) a cure claim associated in the net amount of $33,463,519.00 (the "**RR Cure Claim**"), which RR Cure Claim shall be paid in accordance with the terms of the applicable Amendment Agreements. The RR Prepetition Unsecured Claim shall be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

15. The allowance of any claim under this Order is subject to the applicable RSAs remaining in full force and effect until the effective date of the Proposed Plan. If the applicable RSA is terminated before the Proposed Plan becomes effective in accordance with its terms, the allowance of the applicable claims set forth in this Order shall be vacated, and, the parties rights, including a Supporting Creditor's right to file a proof of claim in respect of any claims it purportedly has in accordance with any order of this Court or as otherwise permitted under the RSA, and the parties' defenses, including the Debtor's right to object to the validity, enforceability or amount of a Supporting Creditor's claims, shall be fully preserved.

16. The Letter Agreement attached to the RSA entered into between the Company and IAE International Aero Engines AG and International AERO Engines, LLC, is hereby approved and the Debtor is authorized to enter into and comply with the provisions of such Letter Agreement.

17. In the event of any inconsistency between the terms and conditions of the RSAs and this Order, the provisions of this Order shall govern and control.

18. Notwithstanding anything to the contrary herein, nothing in this Order shall require the Debtor or any directors or officers of the Debtor, in such person's capacity as a director or officer of the Debtor, to take any action inconsistent with or to refrain from taking any action consistent with, its or their fiduciary obligations under applicable law.

19. Notice of the Motion as provided therein and the notice procedures set forth herein shall be deemed good and sufficient notice and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York are satisfied by such notice.

20. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

21. This Court shall retain jurisdiction with respect to any and all matters arising from or relating to the implementation or interpretation of this Order.

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

List of Restructuring Support Agreements

RSAs entered into with Aircraft Counterparties – Operating Leases

- RSA entered into with Aircraft MSN 6201 LLC and Aircraft MSN 6253 LLC
- RSA entered into with PP5012 Aircraft Leasing Limited and PP5103 Aircraft Leasing Limited
- RSA entered into with Pajun Aviation Leasing 1 Limited and Pajun Aviation Leasing 2 Limited
- RSA entered into with Pajun Aviation Leasing 3 Limited
- RSA entered into with Avation Pacific Leasing II Pte. Ltd.
- RSA entered into with CIT Aerospace International, SAF Leasing II (AOE 2) Limited, Avolon Aerospace AOE 95 Limited, CIT Group Finance (Ireland), HKAC Leasing 6291 (Ireland) Limited, Avolon Aerospace AOE 106 Limited, and Avolon Aerospace AOE 108 Limited
- RSA entered into with ECAF I 1482 DAC and ECAF I 6363 DAC
- RSA entered into with Fly Aircraft Holdings Twenty-One Ltd, Fly Aircraft Holdings Twenty-Two Ltd, Fly Aircraft Holdings Twenty-Six Ltd, and Fly Aircraft Holdings Twenty-Eight Ltd
- RSA entered into with Wilmington Trust SP Services (Dublin) Limited ("Castlelake")
- RSA entered into with Wilmington Trust SP Services (Dublin) Limited ("Chorus")
- RSA entered into with AWAS 1 Ireland Limited and AWAS 5371 Trust
- RSA entered into with DCAL 2 Leasing Limited and DCAL 1 Leasing Limited
- RSA entered into with Celestial Aviation Trading 68 Limited, Celestial EX-IM Trading 1 Limited, LAF Leasing Ireland 3 Limited, and Celestial Aviation Trading 100 Limited
- RSA entered into with Nanshi Aviation Leasing Limited
- RSA entered into with HAITONG Unitrust No. 3 Limited and HAITONG Unitrust No. 4 Limited
- RSA entered into with JPL Stratos Leasing 1 Limited
- RSA entered into with JPA No. 112 Co., Ltd., and DVB Bank SE, Singapore Branch
- RSA entered into with Macquarie Airfinance Acquisitions (UK) Ltd
- RSA entered into with Orix Aviation Systems Limited
- RSA entered into with RRPF Engine Leasing Limited
- RSA entered into with SMBC Aviation Capital Limited

- RSA entered into with TrueNoord Pinatubo Limited

RSAs entered into with Aircraft Counterparties – Finance Leases

- RSA entered into with BDO Unibank, Inc.- Trust and Investments Group, Ascend Aircraft Leasing Limited I, Ascend Aircraft Leasing Limited II, Ascend Aircraft Leasing Limited III, BDO Unibank, Inc., and BDO Capital & Investment Corporation
- RSA entered into with Cathay United Bank, Co., Ltd. and Prime Aviation Leasing
- RSA entered into with China Banking Corporation, China Banking Corporation – Trust and Asset Management Group, Pioneer Aircraft Leasing I Limited, Pioneer Aircraft Leasing II Limited, and Pioneer Aircraft Leasing III Limited
- RSA entered into with JA Mitsui Leasing, Ltd. and Paragon Aircraft Leasing Limited
- RSA entered into with MUFG Bank, Ltd., Singapore Branch, and Peak Aircraft Leasing Limited II
- RSA entered into with Ascend Aircraft Leasing Limited IV and PK AirFinance S.à r.l.
- RSA entered into with Peak Aircraft Leasing Limited I and PK AirFinance S.à r.l.
- RSA entered into with Premiere Aero Leasing Limited and PK AirFinance S.à r.l.
- RSA entered into with Paramount Aircraft Leasing Limited and PK AirFinance S.à r.l. ("Paramount 2")
- RSA entered into with Philippine National Bank, Phoenix Aircraft Leasing Limited, and Prima Aircraft Leasing Limited
- RSA entered into with Pacific Aircraft Leasing (2012) LLC, Pacific Aircraft Leasing (2012) Trust, Porto Aircraft Leasing (2012) LLC, Porto Aircraft Leasing (2012) Trust, Penta Aircraft Leasing (2013) LLC, Penta Aircraft Leasing (2013) Trust, Wilmington Trust Company, Wells Fargo Trust Company, National Association, and Export Import Bank of the United States
- RSA entered into with Alhena Ltd. and BNP Paribas (Singapore branch)
- RSA entered into with Paramount Aircraft Leasing Limited and PK AirFinance S.à r.l.("Paramount 1")

RSAs entered into with Original Equipment Manufacturers

- RSA entered into with Airbus S.A.S.
- RSA entered into with Rolls Royce plc
- RSA entered into with IAE International Aero Engines AG and International Aero Engines, LLC

RSAs entered into with Local Banks

- RSA entered into with Asia United Banking Corporation

- RSA entered into with Union Bank of the Philippines
- RSA entered into with Industrial and Commercial Bank of China Limited – Manila Branch

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER AUTHORIZING THE DEBTOR TO ASSUME, AND PERFORM UNDER, RESTRUCTURING SUPPORT AGREEMENTS

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for the entry of an order (this "**Order**"), pursuant to section 363(b)(1) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") authorizing the Debtor to assume and perform under the RSAs listed on Schedule 1, all as more fully set forth in the Motion; and the Court having 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, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the

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

[2] Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed to such terms in the Motion.

Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having found that the assumption of the RSAs does not constitute a solicitation for purposes of sections 1125 and 1126 of the Bankruptcy Code; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that such relief is in the best interest of the Debtor, its estate, its creditors and all parties in interest; and any objections to the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth therein.

2. The RSAs and their terms are approved in their entirety pursuant to sections 363(b)(1) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 9019.

3. The Debtor is authorized to assume the RSAs and to take all actions to comply with and implement the terms thereof, pursuant to sections 363(b)(1) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 9019, and the RSAs shall be assumed effective upon the entry of this Order.

4. The Debtor's entry into and performance under the RSAs shall not constitute a solicitation of votes in violation of section 1125 of the Bankruptcy Code.

5. The RSAs shall be binding and enforceable in accordance with its terms against each of the parties thereto and their successors and assigns.

6. For avoidance of doubt, the Amendment Agreements shall become effective only upon the effective date of a Plan that is consistent with the terms of the Plan Term Sheet attached to the RSAs (the "**Proposed Plan**") and the applicable RSA and the satisfaction of the other conditions to effectiveness set forth therein. With respect to Airbus, during any period prior to the effective date of the Proposed Plan and the Amendment Agreements, the Debtor shall not assert any right or claim against Airbus in respect of any delay in performance, whether excusable or non-excusable, or non-performance by Airbus thereunder to the extent the Airbus's performance or non-performance under the Existing Documents comports with the Amendment Agreements and not the Existing Documents.

7. The "Restructuring Expenses" set forth in the RSAs are allowed as administrative expenses of the Debtor under sections 503(b) and 507 of the Bankruptcy Code and the Debtor is authorized to make payment of such Restructuring Expenses to the applicable Supporting Creditors in accordance with the applicable RSA.

8. The failure to describe specifically or include any particular provision of the RSAs in the Motion or this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Debtor's entry into the RSAs and performance thereunder are approved in their entirety.

9. The Debtor is authorized to file additional RSAs that are agreed upon after the entry of this Order, under notice of presentment with a seven-day objection period.

10. ~~9.~~ The parties to the RSAs are authorized, but not directed, to enter into amendments to the RSAs from time to time as necessary, subject to the terms and conditions set forth in the RSAs and without further order of the Court.

11. ~~10.~~ The Debtor is hereby authorized, directed and empowered to take all actions, execute all documents, and make all payments that may be necessary to perform under the RSAs and implement the relief granted in this Order, and such actions shall not constitute a solicitation of acceptances or rejections of a plan pursuant to section 1125 of the Bankruptcy Code.

12. ~~11.~~ The RSAs shall be solely for the benefit of the parties thereto and no other person or entity shall be a third-party beneficiary thereof. No entity shall have any right to seek or enforce specific performance of the RSAs, other than the parties thereto.

13. ~~12.~~ To the extent the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are vacated and modified to enable the implementation of the RSAs and enable each of the Parties to enforce each applicable RSA's terms without the need for further court order, including, without limitation, permitting the applicable Supporting Creditors to exercise all rights and remedies under the applicable RSA in accordance with its terms, to terminate the RSAs in accordance with its terms and to deliver any notice contemplated thereunder, without further order of the Court.

14. ~~13.~~ In accordance with and subject to the terms of the applicable RSA and paragraph 15 hereof, the following Supporting Creditors shall have allowed claims against the Debtor as set forth below, without the need of such Supporting Creditors filing a proof of claim:

(a) Airbus shall have an allowed unsecured claim against the Debtor in the net amount of $1,557,629.06 for sales of parts and/or provision of services by Airbus under purchase orders that are not related to the Existing Documents (as defined in the applicable RSA), which claim shall (i) be and be deemed in full and final satisfaction of all claims that are not related to the Existing Documents and (ii) treated as an Ordinary Course Trade Claim as described in the Proposed Plan; *provided*,

however, that the foregoing shall not limit or impair the Airbus's rights to assert an administrative or other claim permitted or otherwise allowed under the RSA or the Amendment Agreements, including additional Ordinary Course Trade Claims under certain purchase orders in the asserted amount of $1,944,839.25 that Airbus acknowledges is subject to reconciliation and agreement between itself and the Company, which claims shall also be treated as Ordinary Course Trade Claims as described in the Proposed Plan to the extent the amount is agreed and reconciled by the Parties.

(b) Asia United Bank Corporation shall have an allowed prepetition unsecured claim against the Debtor in the net amount of $75,486,656.25, which claim shall be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

(c) Philippine National Bank shall have a prepetition unsecured claim against the Debtor in the amount of ((x) US$113,776,031.03 plus (y) any accrued interest and any other amount which are due and payable under the SBLC Facility (as defined in the applicable RSA) and the Revolving Facility (as defined in the applicable RSA) as of the Petition Date less (z) the value of the Collateral, which has been agreed to be ₱1,360,963,000, which amount shall be converted into US Dollars using the exchange rate on the first Business Day prior to the Petition Date, as quoted at 4:00 p.m. (Manila Time), the BAP AM Weighted Average Rate of exchange for Philippine Pesos as published in Bloomberg, which claim shall (i) be and be deemed in full and final satisfaction of all claims related to the SBLC Facility and the Revolving Credit Facility, and (ii) be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

(d) Rolls-Royce PLC shall have: (i) a prepetition unsecured claim against the Debtor in the net amount of $89,496,109.00 (the "**RR Prepetition Unsecured Claim**"); and (ii) a cure claim associated in the net amount of $33,463,519.00 (the "**RR Cure Claim**"), which RR Cure Claim shall be paid in accordance with the terms of the applicable Amendment Agreements. The RR Prepetition Unsecured Claim shall be treated as an impaired General Unsecured Claim as described in the Proposed Plan.

15. ~~14.~~ The allowance of any claim under this Order is subject to the applicable RSAs remaining in full force and effect until the effective date of the Proposed Plan. If the applicable RSA is terminated before the Proposed Plan becomes effective in accordance with its terms, the allowance of the applicable claims set forth in this Order shall be vacated, and, the parties rights, including a Supporting Creditor's right to file a proof of claim in respect of

any claims it purportedly has in accordance with any order of this Court or as otherwise permitted under the RSA, and the parties' defenses, including the Debtor's right to object to the validity, enforceability or amount of a Supporting Creditor's claims, shall be fully preserved.

16. ~~15.~~ The Letter Agreement attached to the RSA entered into between the Company and IAE International Aero Engines AG and International AERO Engines, LLC, is hereby approved and the Debtor is authorized to enter into and comply with the provisions of such Letter Agreement.

17. ~~16.~~ In the event of any inconsistency between the terms and conditions of the RSAs and this Order, the provisions of this Order shall govern and control.

18. ~~17.~~ Notwithstanding anything to the contrary herein, nothing in this Order shall require the Debtor or any directors or officers of the Debtor, in such person's capacity as a director or officer of the Debtor, to take any action inconsistent with or to refrain from taking any action consistent with, its or their fiduciary obligations under applicable law.

19. ~~18.~~ Notice of the Motion as provided therein and the notice procedures set forth herein shall be deemed good and sufficient notice and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York are satisfied by such notice.

20. ~~19.~~ Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

21. ~~20.~~ This Court shall retain jurisdiction with respect to any and all matters arising from or relating to the implementation or interpretation of this Order.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

List of Restructuring Support Agreements

RSAs entered into with Aircraft Counterparties – Operating Leases

- RSA entered into with Aircraft MSN 6201 LLC and Aircraft MSN 6253 LLC
- RSA entered into with PP5012 Aircraft Leasing Limited and PP5103 Aircraft Leasing Limited
- RSA entered into with Pajun Aviation Leasing 1 Limited and Pajun Aviation Leasing 2 Limited
- RSA entered into with Pajun Aviation Leasing 3 Limited
- RSA entered into with Avation Pacific Leasing II Pte. Ltd.
- RSA entered into with CIT Aerospace International, SAF Leasing II (AOE 2) Limited, Avolon Aerospace AOE 95 Limited, CIT Group Finance (Ireland), HKAC Leasing 6291 (Ireland) Limited, Avolon Aerospace AOE 106 Limited, and Avolon Aerospace AOE 108 Limited
- RSA entered into with ECAF I 1482 DAC and ECAF I 6363 DAC
- RSA entered into with Fly Aircraft Holdings Twenty-One Ltd, Fly Aircraft Holdings Twenty-Two Ltd, Fly Aircraft Holdings Twenty-Six Ltd, and Fly Aircraft Holdings Twenty-Eight Ltd
- RSA entered into with Wilmington Trust SP Services (Dublin) Limited (“Castlelake”)
- RSA entered into with Wilmington Trust SP Services (Dublin) Limited (“Chorus”)
- RSA entered into with AWAS 1 Ireland Limited and AWAS 5371 Trust
- RSA entered into with DCAL 2 Leasing Limited and DCAL 1 Leasing Limited
- RSA entered into with Celestial Aviation Trading 68 Limited, Celestial EX-IM Trading 1 Limited, LAF Leasing Ireland 3 Limited, and Celestial Aviation Trading 100 Limited
- RSA entered into with Nanshi Aviation Leasing Limited
- RSA entered into with HAITONG Unitrust No. 3 Limited and HAITONG Unitrust No. 4 Limited
- RSA entered into with JPL Stratos Leasing 1 Limited
- RSA entered into with JPA No. 112 Co., Ltd., and DVB Bank SE, Singapore Branch
- RSA entered into with Macquarie Airfinance Acquisitions (UK) Ltd
- RSA entered into with Orix Aviation Systems Limited
- RSA entered into with RRPF Engine Leasing Limited
- RSA entered into with SMBC Aviation Capital Limited
- RSA entered into with TrueNoord Pinatubo Limited

RSAs entered into with Aircraft Counterparties – Finance Leases

- RSA entered into with BDO Unibank, Inc.- Trust and Investments Group, Ascend Aircraft Leasing Limited I, Ascend Aircraft Leasing Limited II, Ascend Aircraft Leasing Limited III, BDO Unibank, Inc., and BDO Capital & Investment Corporation
- RSA entered into with Cathay United Bank, Co., Ltd. and Prime Aviation Leasing
- RSA entered into with China Banking Corporation, China Banking Corporation – Trust and Asset Management Group, Pioneer Aircraft Leasing I Limited, Pioneer Aircraft Leasing II Limited, and Pioneer Aircraft Leasing III Limited
- RSA entered into with JA Mitsui Leasing, Ltd. and Paragon Aircraft Leasing Limited
- RSA entered into with MUFG Bank, Ltd., Singapore Branch, and Peak Aircraft Leasing Limited II
- RSA entered into with Ascend Aircraft Leasing Limited IV and PK AirFinance S.à r.l.
- RSA entered into with Peak Aircraft Leasing Limited I and PK AirFinance S.à r.l.
- RSA entered into with Premiere Aero Leasing Limited and PK AirFinance S.à r.l.
- RSA entered into with Paramount Aircraft Leasing Limited and PK AirFinance S.à r.l. ("Paramount 2")
- RSA entered into with Philippine National Bank, Phoenix Aircraft Leasing Limited, and Prima Aircraft Leasing Limited
- RSA entered into with Pacific Aircraft Leasing (2012) LLC, Pacific Aircraft Leasing (2012) Trust, Porto Aircraft Leasing (2012) LLC, Porto Aircraft Leasing (2012) Trust, Penta Aircraft Leasing (2013) LLC, Penta Aircraft Leasing (2013) Trust, Wilmington Trust Company, Wells Fargo Trust Company, National Association, and Export Import Bank of the United States
- RSA entered into with Alhena Ltd. and BNP Paribas (Singapore branch)
- RSA entered into with Paramount Aircraft Leasing Limited and PK AirFinance S.à r.l.("Paramount 1")

RSAs entered into with Original Equipment Manufacturers

- RSA entered into with Airbus S.A.S.
- RSA entered into with Rolls Royce plc
- RSA entered into with IAE International Aero Engines AG and International Aero Engines, LLC

RSAs entered into with Local Banks

- RSA entered into with Asia United Banking Corporation
- RSA entered into with Union Bank of the Philippines

- RSA entered into with Industrial and Commercial Bank of China Limited – Manila Branch

EXHIBIT J

Proposed RSA Usage Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER AUTHORIZING THE DEBTOR TO ENTER INTO AND PERFORM UNDER USAGE STIPULATIONS BETWEEN THE DEBTOR AND COUNTERPARTIES CONCERNING CERTAIN AIRCRAFT AND ENGINES

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for the entry of an order (this "**Order**"), pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") authorizing the Debtor to enter into, and perform under, the Usage Stipulations, all as more fully set forth in the Motion; and the Court having 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, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other

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

[2] Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed to such terms in the Motion.

notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that such relief is in the best interest of the Debtor, its estate, its creditors and all parties in interest; and any objections to the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted.

2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, the Debtor is hereby authorized (but not directed) to enter into and perform under the Usage Stipulations that are attached to the Motion as Exhibit B.

3. The Debtor is authorized (but not directed) to enter into and perform under the PBH Agreements and Rent Agreements attached to the Usage Stipulations or related to the subject equipment, without further approval of the Court.

4. The Debtor is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Usage Stipulations.

5. The Debtor is authorized to file Usage Stipulations relating to similar aircraft lease or finance agreements that are agreed upon after the entry of this Order, under notice of presentment with a seven-day objection period.

6. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

8. This Court shall retain exclusive jurisdiction with respect to any and all matters arising from or relating to the implementation, interpretation and enforcement of this Order.

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT K

Proposed RSA Rejection Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER AUTHORIZING THE DEBTOR TO ENTER INTO AND PERFORM UNDER REJECTION STIPULATIONS AND SUPER-SOFT LANDING STIPULATIONS BETWEEN THE DEBTOR AND COUNTERPARTIES CONCERNING CERTAIN EQUIPMENT LEASES

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for the entry of an order (this "**Order**"), pursuant to section 365(a) of the Bankruptcy Code of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6004(h) and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") authorizing the Debtor to enter into, and perform under, the Rejection Stipulations and Super-Soft Landing Stipulations, all as more fully set forth in the Motion; and the Court having 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, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and

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

[2] Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed to such terms in the Motion.

this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that such relief is in the best interest of the Debtor, its estate, its creditors and all parties in interest; and any objections to the Motion having been withdrawn or overruled on the merits; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted as and to the extent set forth herein.

2. Pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006, the Debtor is hereby authorized (but not directed) to enter into and perform under the Rejection Stipulations that are attached to the Motion as Exhibit B.

3. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, the Debtor is hereby authorized (but not directed) to enter into and perform under the Super-Soft Landing Stipulations that are attached to the Motion as Exhibit B.

4. The Debtor is authorized (but not directed) to enter into and perform under the Storage Agreements and/or Soft Landing Agreements attached to the Super-Soft Landing Stipulations or related to the subject equipment, without further approval of the Court

5. The Debtor is authorized to execute and deliver all instruments and documents and take any additional actions as are necessary or appropriate to implement and effectuate the entry into and performance under the Stipulations.

6. In accordance with the Rejection Stipulations, the Debtor is authorized to reject the applicable leases and return the applicable equipment to the applicable Aircraft Counterparties.

7. The automatic stay provided under section 362 of the Bankruptcy Code shall be and hereby is modified to allow the Debtor and the applicable Aircraft Counterparties to (i) effectuate the provisions of the Stipulations, (ii) transfer, move, deregister, dispose of or effect title transfer of the aircraft equipment in accordance with the Stipulations, as applicable, (iii) apply any security deposit and/or maintenance reserves held by such Aircraft Counterparties to the extent permitted by and in accordance with the terms of the Stipulations and the relevant leases against the obligations of the Debtor thereunder and (iv) allow the Aircraft Counterparties to cancel or terminate any such lease in accordance with the terms of the Stipulations.

8. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

9. The notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rules 2002(a) and 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing.

10. This Court shall retain exclusive jurisdiction with respect to any and all matters arising from or related to the implementation, interpretation and enforcement of this Order.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT L

Proposed RSA Seal Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER GRANTING DEBTOR'S MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. § 107(b) AND FED. R. BANKR. P. 9018 AUTHORIZING THE FILING OF CERTAIN INFORMATION UNDER SEAL

Upon the motion (the "**Motion to Seal**")[2] of the above-captioned debtor and debtor in possession (the "**Debtor**") for the entry of an order (this "**Order**"), pursuant to section 107(b) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 9018 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), in connection with the Debtor's motion for the entry of an order granting leave to file under seal certain information, all as more fully set forth in the Motion; and the Court having 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, 2019; and this Court having the power to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion to Seal in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion to Seal and opportunity for a hearing on the Motion to Seal were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the

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

[2] Capitalized terms not otherwise defined herein shall have the meaning(s) ascribed to such terms in the Motion to Seal.

Motion to Seal, the Debtor's supplemental statement in support of the Motion to Seal, and having heard the statements in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion to Seal and at the Hearing establish just cause for the relief granted herein and that such relief is in the best interest of the Debtor, its estate, its creditors and all parties in interest; and any objections to the Motion to Seal having been withdrawn or overruled on the merits; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion to Seal is hereby granted.

2. Pursuant to section 107(b) of the Bankruptcy Code, the Debtor is hereby authorized to file the Confidential Information under seal. The filing under seal shall remain under seal and confidential, and the Clerk of the Court and the United States Trustee shall not make such information available to anyone, other than as set forth in this Order.

3. The Debtor is authorized to file a redacted version of the RSAs, Usage Stipulations and the Super-Soft Landing Stipulations on the docket maintained in the Chapter 11 Case.

4. The Debtor shall provide unredacted copies of the RSAs, the Usage Stipulations, the Super-Soft Landing Stipulations to the Court and the Office of the United States Trustee.

5. The Clerk of the Court shall treat the Confidential Information as confidential and counsel for the Debtor shall contact the Clerk's Office regarding the return or disposition of the sealed RSAs within ten days after issuance of a final order confirming a chapter 11 plan.

6. Access to the Confidential Information, subject to the conditions set forth above, shall be for the sole purpose of determining whether the relief requested in the Restructuring Motions should be granted.

7. Any party permitted access to the Confidential Information from the Clerk of the Court or the United States Trustee shall not share any information contained in such documents with any third party, without the consent of the Debtor or further order of this Court. Any party found to have violated these conditions shall be subject to sanctions for violation of this Order.

8. This Order is without prejudice to the rights of any party in interest to (i) seek to declassify and make public any portion of the Confidential Information or (ii) request from this Court the further review of the terms of this Order.

9. The Debtor is authorized to take any additional actions as are necessary or appropriate to implement and effectuate this Order.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

11. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to this Order.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT M

Proposed Case Management Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER IMPLEMENTING CERTAIN
NOTICE AND CASE MANAGEMENT PROCEDURES

Upon the motion (the "**Motion**")[2] of Philippine Airlines, Inc. as debtor and debtor-in-possession (the "**Debtor**") in the above-captioned Chapter 11 Case (the "**Chapter 11 Case**"), pursuant to sections 102(1), 105(a) and 105(d) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002(m), 9007 and 9036 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), Rule 9074-1 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**") and General Order M-399 (the "**Standing Order**") of the United States Bankruptcy Court for the Southern District of New York, for the for an order (this "**Order**") approving and implementing the notice, case management, and administrative procedures attached hereto as **Exhibit 1** (the "**Case Management 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 and 1334, and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and

[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 respective meanings ascribed to such terms in the Motion or the First Day Declaration, as applicable.

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 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and 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 First Day Declaration and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the relief requested in the Motion 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 as provided herein.

2. The Case Management Procedures, as set forth in **Exhibit 1** attached hereto, are approved and shall govern all aspects of this Chapter 11 Case, except as otherwise ordered by the Court.

3. The next four Omnibus Hearings are scheduled as follows:

- _____, 2021 at ___:___ ___.m.;
- _____, 2021 at ___:___ ___.m.;
- _____, 2021 at ___:___ ___.m.; and
- _____, 2021 at ___:___ ___.m.

4. The Debtor's Claims and Noticing Agent is authorized, but not directed, to establish a case website (the "**Case Website**"), available at www.kccllc.net/PAL, where, among

other things, the Case Management Procedures, and also key dates and information about this Chapter 11 Case, will be posted and viewable free of charge. In the event the Case Management Procedures are modified during the Chapter 11 Case, the Debtor will ensure that an updated version of the Case Management Procedures are available on the Case Website and will file notices of the same on the Court's electronic filing system.

5. Any notice sent by the Debtor or any other party to the Master Service List or the 2002 List, or to any parties required by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Case Management Procedures, or further order of this Court, shall be deemed sufficient and in compliance therewith.

6. Any notice sent by the Debtor or any other party in interest shall be deemed to comply with the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

7. All time periods set forth in this Order or in the Case Management Procedures shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Debtor is authorized to take all actions necessary or appropriate to effectuate the relief granted in this Order in accordance with the Motion.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2021
New York, New York

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Case Management Procedures

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

CASE MANAGEMENT PROCEDURES

On September 3, 2021 (the "**Petition Date**"), the above-captioned debtor and debtor in possession (the "**Debtor**"), filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Court for the Southern District of New York (the "**Court**"). The Debtor operates its business and manages its properties as Debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

On [●], 2021, the Court entered an order (the "**Order**") approving these case management procedures (the "**Case Management Procedures**") set forth herein pursuant to section 105(a) of the Bankruptcy Code, Rules 2002(m) and 9007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 9074-1 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"). Anyone may obtain a copy of the Order, as well as any Court Filing filed with the Court in this Chapter 11 Case, by: (a) accessing the website maintained by Kurtzman Carson Consultants LLC ("**KCC**" or the "**Claims and Noticing Agent**"), at http://www.kccllc.net/PAL (the "**Case Website**"); (b) contacting KCC directly at Philippine Airlines Claims Processing Center c/o KCC, 222 North Pacific Coast Highway, Suite 300, El Segundo, CA 90245, telephone (866) 967-0671; or (c) accessing the

[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.

PACER system on the Court's website at http://www.nysb.uscourts.gov for a nominal fee.

Pursuant to the Order, all notices, motions, applications, briefs, memoranda, affidavits, declarations, objections, responses, and other documents filed in this Chapter 11 Case are subject to, and will not be deemed properly served unless they are served in accordance with, these Case Management Procedures. Additionally, while the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules apply to this Chapter 11 Case, to the extent there is a conflict between the foregoing and these Case Management Procedures, these Case Management Procedures shall govern in all respects. Accordingly, all parties in interest are strongly encouraged to review these Case Management Procedures in their entirety and consult their own legal counsel with respect to any of the matters discussed herein before filing any documents in this Chapter 11 Case.

Case Management Procedures

I. Hearing Procedures

1. All Matters to Be Heard at Omnibus Hearings. The Debtor shall be authorized to schedule, in cooperation with the Court, periodic omnibus hearings (the "**Omnibus Hearings**") to consider all notices, motions, applications, and other requests for relief, briefs, memoranda, affidavits, declarations, replies, and other documents filed in support of such papers seeking relief (collectively, the "**Requests for Relief**"), and all objections and responses to such Requests for Relief (collectively, the "**Objections**," and together with the Requests for Relief and all other filed documents, the "**Court Filings**").

2. Initial Omnibus Hearings. The next four Omnibus Hearings are scheduled as follows:

- _____, 2021 at ___:___ ___.m.;

- _____, 2021 at ___:___ ___.m.;
- _____, 2021 at ___:___ ___.m.; and
- _____, 2021 at ___:___ ___.m.

3. Subsequent Omnibus Hearings. The Court shall schedule additional Omnibus Hearings and, upon scheduling, KCC shall post the dates of the additional Omnibus Hearings on the Case Website. Parties may contact KCC for information concerning all scheduled Omnibus Hearings.

4. Proposed Hearing Agenda. No later than 12:00 p.m. noon (prevailing Eastern Time) two business days before each Omnibus Hearing, Debtor's counsel shall file a proposed agenda with regard to the matters scheduled to be heard at such Omnibus Hearing (the "**Proposed Hearing Agenda**"). The Proposed Hearing Agenda may include notice of matters that have been consensually adjourned to a later Omnibus Hearing in lieu of parties filing a separate notice of adjournment; *provided* that for all matters adjourned to a later Omnibus Hearing or some other future date, the Debtor also will electronically file (but need not serve) a notice of adjournment with respect to such matters.

5. Content of Proposed Hearing Agenda. The Proposed Hearing Agenda will include, to the extent known by Debtor's counsel: (a) the docket number and title of each matter scheduled to be heard at such Omnibus Hearing, including the initial filing and any objections, replies, or documents related thereto; (b) whether the matters are contested or uncontested; (c) whether the matters have settled or are proposed to be continued; (d) a suggestion for the order in which the matters should be addressed; and (e) any other comments that will assist the Court.

6. Evidentiary Hearings. With respect to any Court Filing, if Objections are filed, the Omnibus Hearing shall not be deemed an evidentiary hearing at which witnesses may testify

unless the Proposed Hearing Agenda provides otherwise. Additionally, any Court Filing requesting or requiring the Court to make a factual finding must be supported by competent evidence (e.g., declarations, affidavits, or exhibits).

7. Telephonic Appearances. This paragraph is subject to any General Order subsequently issued by the United States Bankruptcy Court for the Southern District of New York, or separate order of this Court. If a party desires to participate in a hearing by telephone, such party must register with Court Solutions LLC at www.Court-Solutions.com. Parties that wish to listen in on a hearing are not required to receive approval from Chambers prior to registering with Court Solutions LLC, or to be admitted to the court or to be admitted *pro hac vice*. Procedures for evidentiary hearings will be established by separate orders of the Court. At the current time, in accordance with the Court's General Order, M-543, dated March 20, 2020, as may be amended or superseded, because of the COVID-19 pandemic, all hearings are being conducted by phone until otherwise directed by the Court.

8. Listen-Only Lines. Any party attending hearings through a listen-only line may do so without requesting permission from Chambers by registering with Court Solutions at www.Court-Solutions.com.

9. Matters that May Be Heard at Non-Omnibus Hearings. Subject to consultation with Chambers, hearings in connection with applications for professional compensation and reimbursement, pretrial conferences, asset sales, trials related to adversary proceedings, approval of a disclosure statement, confirmation of a plan, and any other Court Filing filed by the Debtor may be scheduled for dates other than the Omnibus Hearing dates; *provided however*, that initial pretrial conferences scheduled in connection with adversary proceedings involving the Debtor shall be set on the next available Omnibus Hearing date that is at least 45 calendar days after the filing of the

complaint, except as otherwise ordered by the Court. Hearings on all other Requests for Relief by any party, except for those Requests for Relief requiring emergency relief, must be scheduled for an Omnibus Hearing.

II. Filing and Service Procedures.

10. All Court Filings filed in this Chapter 11 Case shall be filed electronically with the Court on the docket of *In re Philippine Airlines, Inc.*, Case No. 21-11569 (SCC), in accordance with the Court's General Order M-399, by registered users of the Court's electronic case filing system (the "**Electronic Filing System**"). Further, pursuant to Local Rule 9070-1, at least one hard copy of any Court Filing (other than proofs of claim) shall be: (a) marked "Chambers Copy" and delivered to the Chambers of the Honorable Shelley C. Chapman, United States Court for the Southern District of New York ("**Chambers**"), United States Bankruptcy Court for the Southern District of New York, 1 Bowling Green, New York, NY 10004 no later than the next business day following the date on which such Court Filing is electronically filed; and (b) delivered by first-class mail to the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**"), 201 Varick Street, Suite 1006, New York, New York 10014, Attn: Susan A. Arbeit.

A. The Service List.

11. Parties Entitled to Service. All Court Filings (other than proofs of claim) shall be served on the following list of parties (the "**Service List**"), according to the following notice procedures.

a. ***Master Service List***. KCC shall maintain a Master Service List (the "**Master Service List**"). The Master Service List shall be made available by (i) accessing the Case Website, (ii) contacting the Claims and Noticing Agent directly, or (iii) contacting the Debtor's counsel directly. The Master Service List shall include the following parties:

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

iii. the Office of the U.S. Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Susan A. Arbeit; Susan.Arbeit@usdoj.gov);

iv. counsel to the DIP Lender, White & Case LLP, 1221 Avenue of the Americas, New York, NY 10020 (Attn: Andrew Zatz, azatz@whitecase.com);

v. counsel to any official committee that may be appointed in this Chapter 11 Case (an "**Official Committee**");

vi. holders of the 40 largest unsecured claims against the Debtor;

vii. the Debtor's five largest secured creditors;

viii. the Internal Revenue Service, 2970 Market Street, Philadelphia, PA 19101;

ix. the United States Attorney's Office for the Southern District of New York, 86 Chambers Street, Third Floor (Attn: Tax & Bankruptcy Unit);

x. the Federal Aviation Administration, 800 Independence Ave., S.W. Washington, DC 20591 (Attn: Office of the Chief Counsel);

xi. the Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549; and

xii. any party that has requested notice pursuant to Bankruptcy Rule 2002.

b. ***2002 List***. KCC shall maintain a list of all parties that have filed a request to receive service of Court Filings pursuant to Bankruptcy Rule 2002 (the "**2002 List**").

i. *Filing Requests for Documents Requires an Email Address*. A request for service of Court Filings pursuant to Bankruptcy Rule 2002 (each, a "**2002 Notice Request**") filed with the Court shall be deemed proper only if it includes the following information with respect to the party filing such request: (A) name; (B) street address; (C) name of clients, if applicable; (D) telephone number; (E) facsimile number; and (F) an email address.

ii. *Certification Opting Out of Service*. Any party filing a 2002 Notice Request who does not maintain (and cannot practicably

obtain) an email address and therefore cannot receive service by email must include in the 2002 Notice Request a certification to that effect (each, a "**Certification**"). A Certification shall include a statement certifying that the party (A) does not maintain an email address and (B) cannot practicably obtain an email address at which the party could receive service. Such party will thereafter receive paper service in accordance with the Case Management Procedures.

iii. *Email Address Required*. If a 2002 Notice Request fails to include an email address or a Certification, the Debtor shall forward a copy of the Case Management Procedures to such party within five business days requesting an email address. If no email address or Certification is provided in response to such request, such party shall not be added to the 2002 List or served with copies of Court Filings unless such Court Filings directly affect such party.

iv. *Changes in Information*. Each party submitting a 2002 Notice Request is responsible for filing with the Court an updated 2002 Notice Request as necessary to reflect changes to any notice information and must serve a copy of such updated 2002 Notice Request upon the Debtor.

c. ***Affected Entities***. All entities with a particularized interest in the subject matter of a specific Court Filing, including the entity filing the Request for Relief is an "**Affected Entity**" and entitled to be served with all Court Filings relating to that interest.

12. Maintenance of the Service List. At least every 15 days during the first 60 days of this Chapter 11 Case, and at least every 30 days thereafter, KCC shall update the Service List by making any additions and deletions and post the updated Service List on the Case Website.

B. Filing and Service of Court Filings Generally.

13. Electronic Filing and Service. All Court Filings shall be filed electronically with the Court, using the Court's Electronic Filing System and served via email, other than service of a summons and complaint in an adversary proceeding or documents filed under seal, which shall be deemed to constitute proper service for all parties who are sent such email service; *provided* that if a party entitled to notice of a Court Filing does not have an email address or an email address is not available, the party shall be served by U.S. mail, overnight delivery, or hand delivery. Subject

to the limited exclusion provided herein, each party that files a notice of appearance and a 2002 Notice Request shall be deemed to have consented to electronic service of all Court Filings.

a. ***Email Subject Line***. With respect to the service of any Court Filing, the subject line of the email shall include (i) the Debtor's case name and number *In re Philippine Airlines, Inc.*, Case No. 21-11569 (SCC), (ii) the name of the party filing such Court Filing, and (iii) the title of the Court Filing being served. If the title of the Court Filing is too long to fit within the subject line of the email, the subject line shall contain a shortened version of such title, and the text of the email shall contain the full title of such Court Filing.

b. ***Email Attachments***. All Court Filings served by email shall include the entire document, including any proposed forms of order and exhibits, attachments, or other materials, in PDF, readable by Adobe Acrobat or other equivalent document reader programs commonly available without cost. The relevant Court Filing shall either be attached to the email in a format specified above or the email shall contain a link to such filing in such format. Notwithstanding the foregoing, if a Court Filing cannot be attached to an email (because of its size, technical difficulties, or other concerns), the filing party may serve the Court Filing by U.S. mail, including the proposed forms of order and any exhibits, attachments and other relevant materials; *provided* that the Court Filing is served by hand or overnight delivery on the Service List.

14. Waiver of Filing Deadlines. If any Court Filing is filed via the Electronic Filing System and served electronically, the filing deadlines requiring three additional calendar days' notice set forth in Rule 6(d) of the Federal Rules of Civil Procedure (made applicable to adversary proceedings by Bankruptcy Rule 7005(b)(2)(D)), and Bankruptcy Rule 9006(f) shall not apply.

15. Form of Papers. Unless granted prior permission, motions, applications, and objections are limited to 40 pages and replies and statements are limited to 20 pages. All Court Filings (other than exhibits) shall be double-spaced, 12-point font, with one-inch margins. This provision is subject to the Local Rules and any Chambers rules.

16. Certificates of Service. Certificates of service for all Court Filings, including the Service List, need only be filed with the Court.

17. Right to Request Special Notice Procedures. Nothing in the Case Management Procedures shall prejudice the right of any party to seek an amendment or waiver of the provisions of the Case Management Procedures upon a showing of good cause including, without limitation, the right to file a motion seeking emergency *ex parte* relief or relief upon shortened notice.

18. Section 342 Notice Requirements. Any notice sent by the Debtor or any other party in interest shall be deemed to comply with the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

C. Filing and Service of Requests for Relief.

19. Requests for Relief to Be Heard at Omnibus Hearing. In accordance with Local Rule 9006-1(b), if a party files and serves a Request for Relief at least 14 calendar days before the next Omnibus Hearing, the matter shall be set for hearing at such Omnibus Hearing. If a Request for Relief is served by overnight delivery only, it must be filed and served at least 15 calendar days before the next Omnibus Hearing. If a Request for Relief is served by U.S. mail only, it must be filed and served at least 17 calendar days before the next Omnibus Hearing. All applications for reimbursement of fees and expenses by professionals retained by the estate must be filed and served at least 21 calendar days before the next Omnibus Hearing. If a Request for Relief is filed by a party other than the Debtor and purports to set a hearing date inconsistent with these Case Management Procedures, the Request for Relief shall be heard, without the necessity of a Court order, at the first Omnibus Hearing after the applicable notice period has expired.

20. Emergency Scheduling Procedures. If a movant or applicant other than the Debtor determines that a Request for Relief requires emergency or expedited relief, the movant or

applicant shall contact (a) the attorneys for (i) the Debtor and (ii) each Official Committee, if any, by telephone and request that the Request for Relief be considered on an expedited basis; and (b) the U.S. Trustee. If the Debtor or any Official Committee disagrees with the movant's or applicant's request for emergency or expedited relief, the movant or applicant shall (x) inform the Court of the disagreement by telephone and (y) arrange for a Chambers conference, telephonic or in-person, to discuss the disagreement. If the Court agrees with the movant or applicant regarding the necessity for expedited consideration, the movant or applicant may, by order to show cause, request an expedited hearing.

21. Notices of Requests for Relief. A notice shall be affixed to the front of each Request for Relief and shall set forth: (a) the title of the Request for Relief; (b) the time and date of the objection deadline; (c) the parties on whom any objection is to be served; and (d) the Omnibus Hearing date at which the party intends to present the Request for Relief. The notice may also include a statement that the relief requested therein may be granted, pursuant to Local Rule 9074-1, without a hearing if no objection is timely filed and served in accordance with the Case Management Procedures (each, a "**Presentment Notice**"). Subject to Section E of these Case Management Procedures, if the notice filed with a Request for Relief includes a Presentment Notice, after the objection deadline has passed and if no objection has been filed and served in accordance with these Case Management Procedures, counsel to the party who filed the Request for Relief may file a certification that no objection has been filed or served on them, and may request that the Court grant the relief and enter an order without a hearing. A Presentment Notice must be emailed to the Court and include the underlying motion, the certificate of service, an electronic version of the proposed order in Word or WordPerfect format,

and a cover note including a representation that (i) the movant sought relief by notice of presentment and (ii) the objection period has passed and no objections were filed.

22. Service of Requests for Relief. For any Court Filing for which particular notice is required to be served both on all creditors and on parties with a particular interest in the relief sought by any Request for Relief, including Bankruptcy Rules 2002(a)(2) and (3), 4001, 6004, 6007 and 9019, parties shall serve all such Court Filings only on the Service List in accordance with the following, unless otherwise ordered by the Court:

a. in the case of any use, sale, lease, or abandonment of substantially all of the Debtor's property, on each party asserting an interest in that property;

b. in the case of any relief from or modification of the automatic stay, on each party asserting a lien or other encumbrance on the affected property;

c. in the case of the use of cash collateral or obtaining of credit, on each party asserting an interest in the cash collateral or a lien or other interest in property upon which a lien or encumbrance is proposed to be granted;

d. in the case of a motion under Bankruptcy Rule 9019, on all parties to the relevant compromise and settlement, or that may be directly affected by such compromise or settlement;

e. in the case of assumption, assignment, or rejection of an executory contract or an unexpired lease, on each party to the executory contract or the unexpired lease;

f. any objection, opposition, response, reply, or further document filed directly in response to another party's Court Filing, on such other party; and

g. on all parties as required by the Bankruptcy Rules, unless otherwise directed by the Court.

23. Notice Provisions Not Applicable to Certain Matters. Except as set forth in the Case Management Procedures or otherwise provided by order of the Court, the notice provisions of the Case Management Procedures shall not apply to notices of the matters or proceedings described in the following Bankruptcy Rules:

a. Bankruptcy Rule 2002(a)(1) (meeting of creditors pursuant to section 341 of the Bankruptcy Code);

b. Bankruptcy Rule 2002(a)(2) (any proposed use, sale, or lease of property of the estate other than in the ordinary course of business, to the extent that such use, sale, or lease concerns all or substantially all of the Debtor's assets;

c. Bankruptcy Rule 2002(a)(4) (hearing on the dismissal of a case or the conversion of a case to another chapter);

d. Bankruptcy Rule 2002(a)(5) (time fixed to accept or reject a proposed modification of a chapter 11 plan);

e. Bankruptcy Rule 2002(a)(7) (time fixed for filing a proof of claim pursuant to Bankruptcy Rule 3003(c));

f. Bankruptcy Rule 2002(b)(1) (time fixed for filing objections to and any hearing to consider approval of a disclosure statement);

g. Bankruptcy Rule 2002(b)(2) (time fixed for filing objections to and any hearing to consider confirmation of a chapter 11 plan);

h. Bankruptcy Rule 2002(d) (certain matters for which notice is to be provided to equity security holders);

i. Bankruptcy Rule 2002(f)(1) (entry of an order for relief);

j. Bankruptcy Rule 2002(f)(2) (dismissal or conversion of a case to another chapter of the Bankruptcy Code);

k. Bankruptcy Rule 2002(f)(3) (time allowed for filing claims pursuant to Bankruptcy Rule 3002);

l. Bankruptcy Rule 2002(f)(6) (waiver, denial, or revocation of a discharge as provided in Bankruptcy Rule 4006);

m. Bankruptcy Rule 2002(f)(7) (entry of an order confirming a chapter 11 plan); and

n. Bankruptcy Rule 2002(f)(8) (summary of the trustee's final report and account should a case be converted to chapter 7 of the Bankruptcy Code).

24. Requests for Relief to Include Proposed Order. Parties submitting written motions or other Requests for Relief shall be required to include a proposed order with such Request for Relief.

D. Filing and Service of Objections and Replies.

25. Deadline for Objections. Any Objection to a Request for Relief must be filed with the Court and served upon the party filing the Request for Relief and those parties on the Service List must be filed by (as applicable, the "**Objection Deadline**"):

a. in the case of a Request for Relief filed 14 or more days before the applicable hearing, 4:00 p.m. (prevailing Eastern Time), seven calendar days before the applicable hearing;

b. in the case of a Request for Relief set for hearing on an expedited basis and filed fewer than 10 days before the applicable hearing, 12:00 p.m. (prevailing Eastern Time), three calendar days preceding the applicable hearing; or

c. in any case, as otherwise ordered by the Court.

Notwithstanding anything to the contrary herein, the Debtor, any Official Committee (if any), and the U.S. Trustee, but no other party, are authorized to file statements in support of Requests for Relief by the Reply Deadline (defined below).

26. Extension of Objection Deadline. The Objection Deadline may be extended without order of the Court only upon the consent of Chambers and the party filing the Request for Relief, which consent may be granted via email.

27. Effect of Failure to File Objection by Objection Deadline. Failure to file an Objection by the Objection Deadline may cause the Court to disregard the Objection.

28. Service of Objections. All Objections shall be filed with the Court and served by the applicable Objection Deadline upon the party filing the Request for Relief, and those parties on the Service List including each Affected Entity; *provided* that if the Objection Deadline is after the date that is seven calendar days before the applicable hearing, then Objections shall also be served by email, facsimile, hand delivery, or overnight mail upon the following parties: (a) the Debtor and its counsel; (b) each Official Committee (if any), and its counsel; (c) each Affected Entity; (d) the U.S. Trustee; and (e) any party that has requested notice pursuant to Bankruptcy Rule 2002.

29. Service of Replies to Objections. If a Court Filing is a reply to an Objection, such reply shall be filed with the Court and served so as to actually be received by (a) the Debtor and its counsel, (b) each Official Committee (if any), and its counsel, (c) each Affected Entity, (d) the

U.S. Trustee, and (e) any party that has requested notice pursuant to Bankruptcy Rule 2002 on or before 12:00 p.m. (prevailing Eastern Time) on the day that is (x) in the case of a Request for Relief filed 21 or more days before the applicable hearing, two business days before the applicable hearing or (y) in the case of a Request for Relief filed less than 21 days before the applicable hearing, two calendar days before the applicable hearing (which may fall on a Saturday, Sunday, or legal holiday notwithstanding Bankruptcy Rule 9006 or equivalent provisions) (the "**Reply Deadline**"). Sur-replies shall be not permitted or considered unless authorized by the Court.

30. Settlements. In the event that a matter is properly noticed for hearing and the parties reach a settlement of the dispute prior to the scheduled hearing, the parties must contact Chambers promptly. In the event that the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (i.e., that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement.

31. Settlement Notice. In the event that the Court determines that additional or supplemental notice is required, the Debtor shall serve such notice in accordance with the Case Management Procedures, and a hearing to consider such settlement shall be held on the next hearing date deemed appropriate by the Court.

E. Granting a Request for Relief Without a Hearing.

32. Certificate of No Objection. If no Objection to a Request for Relief is filed after the Request for Relief is filed and served in a timely fashion, the movant may submit a proposed order granting the Request for Relief to the Court along with a certificate of no objection

("**Certificate of No Objection**") stating that no Objection has been filed or served on the movant by the applicable Objection Deadline. By filing such certification, counsel for the movant represents to the Court that the movant is unaware of any Objection to the Request for Relief and that counsel has reviewed the Court's docket and no Objection appears thereon.

33. Order May Be Entered Without Hearing. Upon receipt of a Certificate of No Objection, the Court may enter an order granting the Request for Relief without further pleading, hearing, or request, and once an order granting such Request for Relief is entered, no further hearing on the Request for Relief shall be held.

34. Request for Relief May be Heard at a Hearing. After a Certificate of No Objection has been filed, the Request for Relief may be heard at the next Omnibus Hearing if the Court does not enter an order granting the Request for Relief before such Omnibus Hearing.

F. Filing and Service of Orders.

35. Service of Orders. All parties submitting orders shall serve a conformed copy of any entered order on (a) each Affected Entity, (b) the Debtor, (c) KCC, and (d) the Office of the United States Trustee for the Southern District of New York within two business days of entry of the applicable order. KCC shall post all orders on the Case Website.

G. Filing and Service of Adversary Proceedings.

36. Serving Adversary Proceedings. All Court Filings in any adversary proceeding commenced in this Chapter 11 Case shall be served upon those parties entitled to service under the applicable Bankruptcy Rules or Local Rules.

37. Discovery Rules in Contested Matters and Adversary Proceedings. Federal Rules of Civil Procedure 26(a)(1) (initial disclosures), 26(a)(2) (disclosures with respect to expert testimony), 26(a)(3) (additional pretrial disclosures), and 26(f) (mandatory meeting before

scheduling conference/discovery plan) are inapplicable in contested matters but are applicable to adversary proceedings arising under this Chapter 11 Case, except as otherwise provided by Court order filed in any particular adversary proceeding.

38. Briefing Schedule in Adversary Proceedings. After a hearing date has been set by the Court, unless otherwise ordered by the Court, the parties to the adversary proceeding shall confer and agree upon a briefing schedule for all adversary matters, which shall be submitted for approval of the Court.

H. Other Pleadings.

39. Joinders. Any party seeking to support any Court Filing may file an expression of support of such Court Filing (a "**Joinder**"). Unless otherwise ordered by the Court, filing a Joinder does not entitle such party to: (a) be an independent proponent of the Court Filing; (b) independently support or oppose any related Court Filings; (c) independently settle the underlying Request for Relief that is the subject of the applicable Court Filing; or (d) independently receive a ruling from the Court on the Court Filing. The Court may deem a Joinder to be a brief in support of the applicable Court Filing, but the Court shall not consider any arguments or factual allegations contained in a Joinder but not in the related Court Filing, and no party shall be required to separately respond to a Joinder.

40. Motion Practice for Lift Stay Actions. A motion filed by a party other than the Debtor seeking relief from the automatic stay (a "**Stay Relief Motion**") in accordance with section 362 of the Bankruptcy Code shall be noticed for consideration on the Omnibus Hearing date that is at least 21 calendar days after the Stay Relief Motion is filed and notice thereof is served upon the Debtor. Unless otherwise ordered by the Court, the objection deadline shall be seven calendar days prior to the hearing scheduled with respect thereto.

41. Continuation of Automatic Stay. Notwithstanding section 362(e) of the Bankruptcy Code, if a Stay Relief Motion is scheduled in accordance with the Case Management Procedures for, or adjourned to, a hearing date 30 calendar days after the filing of the Stay Relief Motion, the moving party shall be deemed to have consented to the continuation of the automatic stay in effect pending the conclusion of, or as a result of, a final hearing and determination under section 362(d) of the Bankruptcy Code, and shall be deemed to have waived its right to assert the termination of the automatic stay under section 362(e) of the Bankruptcy Code.

42. Motions for Summary Judgment. Pursuant to Local Rule 7056-1, no motion for summary judgment may be made without first seeking a pre-motion conference. A request for such conference should be made by email, filed and served in accordance with the Case Management Procedures, setting forth the issues to be presented under the summary judgment motion.

43. Motions for Reargument. Motions for reargument must identify with particularity the matter for reconsideration in accordance with Local Rule 9023-1. If, after review of the motion, the Court determines that it wishes a response, and/or hearing, it will notify the applicable parties accordingly.

44. Motions for Temporary Restraining Orders. Parties seeking a temporary restraining order (a "**TRO**") must comply with the requirements of Federal Rule of Civil Procedure 65(b). Applicants seeking TROs are reminded of the need to submit with their motion papers the written affidavit required under Federal Rule of Civil Procedure 65(b) confirming the notice provided to anyone who might wish to oppose the application. Any assertions that notice cannot or should not be given must likewise be supported by affidavit. Any request for a TRO must be preceded by an email and a telephone call to Chambers, advising Chambers of the nature

of the controversy, the need for emergency relief, why a noticed hearing for a preliminary injunction would be insufficient, when a hearing on the TRO application is needed, and when the motion papers will be forthcoming. Except in those rare cases where advance notice of the TRO application would vitiate the purpose of a TRO (and where that can be established by affidavit), immediate telephonic notice of the application must be provided to all parties reasonably expected to be affected by entry of the TRO, or provisions therein. In addition, the motion papers on any TRO application must be hand delivered, emailed, or faxed to any such parties at the same time that the papers are provided to Chambers.

45. Requests for Filing and Maintaining Information Under Seal. Parties seeking to file and maintain information under seal may file an *ex parte* motion with the Court. Any request to file and maintain information under seal must be made by motion filed on the docket of the case, and must indicate the grounds for sealing. Every proposed order requesting sealing must provide for the movant to unseal or dispose of the confidential information at the conclusion of the matter. Every proposed sealing order must provide, in substance, that it is without prejudice to the rights of any party in interest, or the U.S. Trustee, to seek to unseal the document or any part of it.

46. Automatic Extension of Certain Time Periods. If a Request for relief to extend the time to take any action is filed prior to the expiration of the time period provided by the Bankruptcy Code (including any Request for Relief pursuant to section 1121 of the Bankruptcy Code), the Bankruptcy Rules, the Local Rules, or any order of the Court, the time to so take action shall be automatically extended until the Court considers and rules upon the Request for Relief.

III. Additional Case Management Procedures.

47. Adequate Notice. Notice and service accomplished in accordance with the provisions set forth in the Case Management Procedures shall be deemed adequate in all respects pursuant to the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

48. Computation of Time. Unless otherwise specified, all time periods referenced in the Case Management Procedures shall be calculated in accordance with Bankruptcy Rule 9006(a).

49. Effect of the Case Management Procedures. The Bankruptcy Rules and the Local Rules shall continue to apply to all proceedings in this Chapter 11 Case, except to the extent that any provision of the Case Management Procedures by its terms supersedes or is inconsistent with such rules.

50. Promulgation of the Case Management Procedures. As soon as practicable after the entry of the proposed Order, a copy of the Case Management Procedures shall be served by the Debtor on each of the parties on the Master Service List. In addition, shortly after the end of each calendar month, KCC or counsel to the Debtor shall serve a copy of the Case Management Procedures upon any party filing a 2002 Notice Request within such calendar month. To help ensure that all parties who may participate in this Chapter 11 Case are aware of the terms of the Case Management Procedures, the Debtor will post the Case Management Procedures on the Case Website.

EXHIBIT N

Proposed Interim Compensation Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES OF PROFESSIONALS

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), 330, and 331 of the United States Code (the "**Bankruptcy Code**"), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"), for an order establishing the Interim Compensation Procedures for professionals whose services are authorized by this Court pursuant to sections 327, 328, or 1103 of the Bankruptcy Code and who will be required to file applications for allowance of compensation and reimbursement of expenses pursuant to sections 328, 330, and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a), 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 28 U.S.C. §§ 1408 and 1409; and due and

[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.

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.

2. Except as may otherwise be provided by orders of this Court authorizing the retention of specific professionals, all Retained Professionals, and members of any statutory committee of creditors, may seek interim compensation and/or reimbursement of expenses, in accordance with the following Interim Compensation Procedures:

A. Monthly Statements

(i) On or before the 20th day of each month following the month for which compensation is sought (or as soon thereafter as reasonably practicable), each Retained Professional seeking compensation shall serve a monthly statement (the "**Monthly Fee Statement**") by email, hand, or overnight delivery, on the following parties (collectively, the "**Fee Notice Parties**"):

(a) the Debtor c/o Philippine Airlines, Inc., PNB Financial Center, President Diosdado Macapagal Avenue, CCP Complex, Pasay City 1300, Metro Manila, Philippines (Attn: Clara C. De Castro, Vice President of Legal Affairs; clara_decastro@pal.com.ph);

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

(c) the U.S. Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Attn: Susan A. Arbeit; Email: susan.arbeit@usdoj.gov); and

(d) counsel for any statutory committee appointed in this Chapter 11 Case.

(ii) On or before the 20th day of each month following the month for which compensation is sought (or as soon thereafter as reasonably practicable), each Retained Professional shall file a Monthly Fee Statement with the Court; however, a courtesy copy of the Monthly Fee Statements need not be delivered to the Judge's chambers because this Order does not alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code. Retained Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, Bankruptcy Rules, and the Local Rules.

(iii) Any Retained Professional that fails to file a Monthly Fee Statement for a particular month or months may subsequently submit a consolidated Monthly Fee Statement that includes a request for compensation earned or expenses incurred during previous months.

(iv) Except as otherwise ordered by the Court, each Monthly Fee Statement must contain a list of the individuals – and their respective titles (e.g., attorney, accountant, or paralegal) – who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred (no professional should seek reimbursement of an expense that would otherwise not be allowed pursuant to the Fee Guidelines), and contemporaneously maintained time entries for each individual in increments of tenths (1/10) of an hour.

(v) If any party in interest has an objection to the compensation or reimbursement sought in a particular Monthly Fee Statement (an "**Objection**"), such party shall, by no later than 12:00 p.m. (Prevailing Eastern Time) on the date that is 15 days following the filing of the particular Monthly Fee Statement (the "**Objection Deadline**"), serve via electronic mail upon the Retained Professional whose Monthly Fee Statement is the subject of an Objection, a written "Notice of Objection to Fee Statement," setting forth the nature of the Objection and the amount of fees or expenses at issue.

(vi) At the expiration of the Objection Deadline, the Debtor shall promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Fee Statement to which no Objection has been served in accordance with paragraph (v) above.[3]

(vii) If a Notice of Objection to Fee Statement with respect to a particular Monthly Fee Statement is served, the Debtor shall withhold payment of that portion of the

[3] The remaining twenty percent (20%) of the fees for each Monthly Statement shall be withheld from payment until further order of the Court.

Monthly Fee Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (vi).

(viii) If an Objection is resolved and if the party whose Monthly Fee Statement was the subject of the Objection serves on all Fee Notice Parties a statement indicating that the Objection has been withdrawn and describing the terms of the resolution, then the Debtor shall promptly pay, in accordance with paragraph (vi), that portion of the Monthly Fee Statement that is no longer subject to the Objection.

(ix) All Objections that are not resolved by the parties shall be preserved and presented to the Court at the next interim or final fee application hearing to be heard by the Court.

(x) The service of a Notice of Objection to Fee Statement in accordance with paragraph (v) above shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the Objection or not. Furthermore, the decision by any party not to object to a Monthly Fee Statement shall not be a waiver of any kind and shall not prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code.

B. Interim Fee Applications

(i) Commencing with the period ending December 31, 2021 and at four-month intervals thereafter (each such period, an "**Interim Fee Period**"), each of the Retained Professionals shall serve and file with the Court an application (an "Interim Fee Application") for interim Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested in the Monthly Fee Statements served during each applicable Interim Fee Period. Each Retained Professional shall file its Interim Fee Application no later than 45 days after the end of an Interim Fee Period. Each Retained Professional shall file its first Interim Fee Application on or before February 15, 2022 and the first Interim Fee Application shall cover the Interim Fee Period from the Petition Date (or the effective date of the Retained Professional's retention) through and including December 31, 2021.

(ii) The Debtor's attorneys shall obtain a date from the Court for the hearing to consider Interim Fee Applications for all Retained Professionals (the "**Interim Fee Hearing**"), which shall be scheduled no earlier than 30 days after the expiration of the 45-day period set forth in paragraph (i), unless otherwise agreed to by the Debtor, the U.S. Trustee, and any statutory committee. At least 21 days prior to the Interim Fee Hearing, the Debtor's attorneys shall file a notice with the Court, with service upon the U.S. Trustee and all Retained Professionals, setting forth the time, date, and location of the Interim Fee Hearing, the period covered by the Interim Fee Applications, and the Objection Deadline.

(iii) Any Retained Professional who fails to timely file an Interim Fee Application seeking approval of compensation and expenses previously paid pursuant to a Monthly Fee Statement shall (a) be ineligible to receive further monthly payments of fees or reimbursement of expenses as provided under the Proposed Order until such Interim Fee Application is filed, and (b) may be required to disgorge any fees paid since retention or the last fee application, whichever is later.

(iv) The pendency of an Interim Fee Application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Fee Statement shall not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.

(v) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on the Court's interim or final allowance of compensation and reimbursement of expenses of any Retained Professionals.

(vi) Counsel for any statutory committee of creditors, if any, may, in accordance with the Interim Compensation Procedures, collect and submit statements of expenses, with supporting vouchers, from members of such committee; *provided* that such reimbursement requests must comply with the Fee Guidelines, and any other applicable fee and expense guidelines adopted by the Court. Notwithstanding the foregoing, the Debtor is authorized to promptly pay upon the receipt of invoices therefore the reasonable, actual, and necessary expenses, other than compensation and reimbursement of expenses specified in paragraph 4 of section 503(b) of the Bankruptcy Code, incurred by a natural person who is a member of such committee in the performance of the duties of such committee. The payment of such expenses as provided herein shall be subject to, and shall not have any effect on, the Court's interim and final allowance of reimbursement of such expenses.

3. The Debtor shall include all payments to Retained Professionals on its monthly operating reports, detailed so as to state the amount paid to each Retained Professional; *provided* that amounts paid to ordinary course professionals may be stated in the aggregate on any monthly operating reports.

4. Any party in interest may object to requests for payments made pursuant to this Order on the grounds that the Debtor has not timely filed monthly operating reports, remained current with its administrative expenses and 28 U.S.C. § 1930 fees, or a manifest exigency exists, by seeking a further order of this Court.

5. During the pendency of this case notice of hearings to consider Interim Fee Applications shall be limited to the Fee Notice Parties and any party who files a Notice of Objection to Fee Statement or a notice of appearance and requests notice in this Chapter 11 Case.

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

7. The Debtor shall serve a copy of this Order on each of the Retained Professionals.

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

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

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

[*Remainder of Page Intentionally Left Blank*]

11. 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 O

Proposed Utilities Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER (A) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING UTILITY SERVICES, (B) DEEMING UTILITY PROVIDERS ADEQUATELY ASSURED OF FUTURE PERFORMANCE, (C) ESTABLISHING PROCEDURES FOR DETERMINING ADEQUATE ASSURANCE OF PAYMENT, AND (D) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**")[2] of the above-captioned debtor and debtor in possession in this case (the "**Debtor**" or "**PAL**," and collectively with the Debtor's non-debtor affiliates, the "**Airline**") for entry of an order (this "**Order**"), as more fully described in the Motion, (a) prohibiting Utility Providers from altering, refusing or discontinuing services to the Debtor, except as set forth herein; (b) deeming the Utility Providers adequately assured of future performance; and (c) establishing procedures for resolving requests for additional adequate assurance of future payment and authorizing the Debtor to provide adequate assurance of future payment to the Utility Providers and Consenting Foreign Utility Providers, each as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference M-431,* dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the

[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] Each capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to it in the Motion.

requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties, and 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 First Day Declaration and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the relief requested in the Motion 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 provided herein.

2. To the extent not otherwise already deposited, Debtor shall deposit within ten days of this Order the sum of $5,000 (as may be modified from time to time, the "**Adequate Assurance Deposit**") into a bank account established by the Debtor in New York, or a current dormant bank account that has been previously established (the "**Adequate Assurance Account**"), for the purpose of providing each Utility Provider and Consenting Foreign Utility Prover with adequate assurance of payment of its postpetition Utility Services to the Debtor. The Adequate Assurance Account may either be interest-bearing or non-interest-bearing at the Debtor's election.

3. The Adequate Assurance Account shall be maintained with a minimum balance of $5,000, which may be adjusted by the Debtor (a) to account for the addition or removal of a

Utility Provider from Utility Service List, as may be amended or modified in accordance with the procedures set forth herein regardless of any Additional Assurance Request (as defined below), (b) to account for any adequate assurance deposits for Consenting Foreign Utility Providers, and (c) in accordance with the terms of any agreement between the Debtor and the affected Utility Provider or Consenting Foreign Utility Provider.

4. The creation and maintenance of the Adequate Assurance Account, in conjunction with the Adequate Assurance Procedures (as defined below) and the Debtor's ability to pay for future utility services in the ordinary course of business (collectively, the "**Proposed Adequate Assurance**"), is deemed adequate assurance of payment as such term is used in section 366 of the Bankruptcy Code. The Debtor is not required to provide any additional adequate assurance beyond what is stated in this Order.

5. The portion of the Adequate Assurance Deposit attributable to each Utility Provider and Consenting Foreign Utility Provider shall be returned to the Debtor, without further Court order, on the earlier of (a) the reconciliation and payment by the Debtor of the Utility Provider's or Consenting Foreign Utility Provider's final invoice in accordance with applicable non-bankruptcy law following the Debtor's termination of Utility Services from such Utility Provider or Consenting Foreign Utility Provider, as provided below, or (b) the effective date of the Prepackaged Plan; *provided* that there are no outstanding disputes related to postpetition payments due.

6. Except in accordance with the procedures set forth below, all Utility Providers and Consenting Foreign Utility Providers are prohibited from altering, refusing, or discontinuing services to, or discriminating against, the Debtor on account of the commencement of this

Chapter 11 Case, any unpaid prepetition charges or any objections to the adequacy of the Proposed Adequate Assurance.

7. The Debtor's Utility Providers are prohibited from requiring additional adequate assurance of payment other than in accordance with the following procedures (the "**Adequate Assurance Procedures**"):

a. Within three business days of the date of this Order, the Debtor will mail a copy of such Order to the Utility Providers on the Utility Service List.

b. If any Utility Provider is not satisfied with the Proposed Adequate Assurance, it must serve a written request for additional adequate assurance (the "**Additional Assurance Request**") upon: (a) Debtor, (b) proposed counsel for the Debtor, and (c) counsel to any statutory committee appointed in this Chapter 11 Case (collectively, the "**Notice Parties**").

c. Any Additional Assurance Request must set forth: (a) the location(s) for which Utility Services are provided and the relevant account number(s); (b) a summary of the Debtor's payment history relevant to the affected account(s), including any security deposits and outstanding balances; and (c) an explanation of why the Utility Provider believes that the Proposed Adequate Assurance is not sufficient assurance of future payment.

d. Without further order of the Court, the Debtor may enter into agreements granting additional adequate assurance to a Utility Provider serving an Additional Assurance Request if the Debtor, in its sole discretion, determines that the Additional Assurance Request is reasonable or negotiate alternative consensual provisions with such Utility Provider, including payments on prepetition amounts owing, cash deposits, prepayments or other forms of security.

e. If the Debtor, in its sole discretion, believes that an Additional Assurance Request is unreasonable and cannot negotiate alternative consensual provisions with the applicable Utility Provider, the Debtor shall promptly file a motion pursuant to section 366(c) of the Bankruptcy Code (a "**Determination Motion**"), which shall be calendared for the next regularly schedule omnibus hearing and seek a determination from the Court that the Adequate Assurance Deposit, plus any additional consideration offered by the Debtor, constitutes adequate assurance of payment. Pending the hearing of the Determination Motion, the relevant Utility Company may not alter, refuse or discontinue services to the Debtor or recover or set off against a prepetition deposit.

8. The Debtor is authorized, but not directed, in its sole discretion, to pay on a timely basis, in accordance with its prepetition practices, all undisputed invoices for Utility Services

rendered by Utility Providers and Consenting Foreign Utility Providers to the Debtor after the Petition Date.

9. To the extent the Debtor subsequently identifies additional providers of Utility Services, the Debtor may, in its discretion, amend the Utility Service List to add any Utility Provider. The Debtor shall (a) promptly file a supplemental notice with the Court (the "**Supplemental Notice**") and (b) promptly serve a copy of the Motion, the Supplemental Notice and this Order on each Utility Provider listed in such Supplemental Notice. Any subsequently added Utility Company that objects to the Proposed Adequate Assurance shall be subject to the Adequate Assurance Procedures. This Order shall be deemed to apply to any such Utility Provider regardless of when such Utility Provider may be added to the Utilities List.

10. In the event an additional Utility Provider is added to the Utilities List, the Debtor shall increase the amount of the Adequate Assurance Deposit by an amount equal to 50% of Utility Services provided by such additional Utility Provider, calculated using the Debtor's historical average for such payments over the past 12 months.

11. The Debtor may terminate the services of any Utility Provider, and may amend the Utilities List to delete any such Utility Provider, only if the Debtor has provided two weeks' advance written notice (a "**Termination Notice**") to such Utility Provider and has not received any objection from such Utility Provider. If an objection is received, the Debtor may request a hearing before the Court at the next omnibus hearing date, or such other date that the Debtor and such Utility Provider may agree.

12. The Debtor may reduce the Adequate Assurance Deposit by the amount held on account of any such terminated Utility Service upon payment of any final bill; *provided* that there are no outstanding disputes related to postpetition payments due. To the extent the Debtor

issues a Termination Notice or the services provided by the Utility Provider are otherwise terminated, any deposit held by such Utility Provider shall be returned to the Debtor in accordance with the procedures of applicable non-bankruptcy law, and the Debtor may reduce the Adequate Assurance Deposit attributable to such Utility Provider accordingly.

13. The Debtor's Consenting Foreign Utility Providers are prohibited from requiring additional adequate assurance of payment other than in accordance with the following procedures:

a. Pursuant to section 366 of the Bankruptcy Code, a Foreign Utility Provider may receive adequate assurance by providing its irrevocable written consent to the jurisdiction of the Bankruptcy Court for the Southern District of New York and to the applicability of section 366 of the Bankruptcy Code (in form and substance acceptable to the Debtor). Within seven United States business days of the receipt of such consent or such other period as the Debtor and the relevant Consenting Foreign Utility Provider may agree, the Debtor will deposit into the Adequate Assurance Account a sum amounting to 50% of the Debtor's average monthly cost of the services provided by such Consenting Foreign Utility Provider over the preceding 12 months, or such other amount as agreed to by the Debtor and such Consenting Foreign Utility Provider. Such amount shall be returned to the Debtor upon the effective date of the Prepackaged Plan.

b. If the Debtor terminates any of the Utility Services provided by such Consenting Foreign Utility Provider by delivery of a Termination Notice, the Debtor may immediately reduce the amount on deposit in the Adequate Assurance Account to reflect such termination upon payment of any final bill; *provided* that there are no outstanding disputes related to postpetition payments due.

14. Nothing in the Motion or this Order (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtor and its estate, (b) shall impair, prejudice, waive or otherwise affect the rights of the Debtor and its estate with respect to the validity, priority or amount of any claim against the Debtor and its estate, (c) shall impair, prejudice, waive or otherwise affect the rights of the Debtor and its estate with respect to any and all claims or causes of action against any Utility Provider or Consenting Foreign Utility Provider,

(d) shall impair any Utility Provider's or Consenting Foreign Utility Provider's rights with regard to any claims, or (e) shall be construed as a promise to pay a claim.

15. Nothing in this Order or in the Utility Service List is intended or shall be deemed to constitute a finding that any entity is or is not a Utility Provider hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Service List or is served with a copy of the Motion or the Order, and shall not prejudice the rights and defenses of any party in interest with respect thereto.

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

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

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

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

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

21. 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 P

Proposed Ordinary Course of Professionals Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

ORDER AUTHORIZING THE DEBTOR TO EMPLOY AND PAY PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS

Philippine Airlines, Inc. ("**PAL**"), the debtor and debtor in possession in this Chapter 11 Case (the "**Debtor**"), pursuant to sections 105(a), 327, 328, and 330 of title 11 of the United States Code (as amended, the "**Bankruptcy Code**"), for an order authorizing, but not directing, the Debtor to (a) establish certain procedures for the Debtor to retain and compensate professionals that the Debtor employs in the ordinary course of business identified on **Exhibit 1** and **Exhibit 2** annexed hereto (the "**Ordinary Course Professionals**"), effective as of the Petition Date, without (i) the submission of separate employment applications or (ii) the issuance of separate retention orders for each individual Ordinary Course Professional; and (b) compensate and reimburse such professionals without individual fee applications, 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 and 1334, and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of

[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.

the Motion having been provided under the Case Management Order, and such notice having been adequate and appropriate under the circumstances, and no other or further notice being 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 being in the best interests of the Debtor, its estate, the 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.

2. Pursuant to sections 105(a), 327, 328, and 330 of the Bankruptcy Code, to the extent deemed necessary by the Debtor, the Debtor is authorized to employ the Ordinary Course Professionals listed on **Exhibit 1** and **Exhibit 2** annexed hereto in the ordinary course of its business in accordance with the following procedures (the "**OCP Procedures**"):

(i) The Debtor will be authorized to employ the Ordinary Course Professionals listed on the OCP List in accordance with the OCP Procedures, effective as of the Petition Date.

(ii) Each Ordinary Course Professional will provide the Debtor's attorneys, within 30 days after the later of the date (a) of entry of this Order or (b) on which the Ordinary Course Professional commences services for the Debtor, (i) a declaration substantially in the form annexed as **Exhibit 3** to this Order (the "**OCP Declaration**"), certifying that such Ordinary Course Professional does not represent or hold any interest adverse to the Debtor or its estate with respect to the matter on which the professional is to be employed, and (ii) a completed retention questionnaire (the "**Retention Questionnaire**"), substantially in the form annexed to this Order as **Exhibit 4**.

(iii) Upon receipt of the OCP Declaration and the Retention Questionnaire, the Debtor's attorneys will file the same with the Court and serve a copy of each upon: (a) the Office of the United States Trustee (Attn: Susan A. Arbeit, Esq.) (the "**U.S. Trustee**"); and (b) counsel for any official committee that is appointed in this Chapter 11 Case (the "**Notice Parties**").

(iv) The Notice Parties will have seven days after service of the OCP Declaration and Retention Questionnaire (the "**Objection Deadline**") to file with the Court and serve by email on (a) counsel for the Debtor and (b) the relevant Ordinary Course Professional (or its counsel if known) (together, the "**Objection Recipients**") a written objection stating, with specificity, the legal and/or factual bases for such objection.

(v) If no objection to the retention of an Ordinary Course Professional is filed with the Court and served on the Objection Recipients by the Objection Deadline, the retention, employment, and compensation of the Ordinary Course Professional will be deemed approved without the need for a hearing and without further Order of the Court; *provided* that if an objection is filed by the Objection Deadline and such objection cannot be resolved within 14 days after the Objection Deadline, the Debtor will schedule the matter for a hearing before the Court.

(vi) The Debtor will be authorized to add or remove Ordinary Course Professionals from the OCP List throughout this Chapter 11 Case; *provided* that the Debtor file with the Court and serve on the Notice Parties a notice listing those Ordinary Course Professionals to be added to or removed from the OCP List, along with the attendant OCP Declarations and Retention Questionnaires (the "**Supplemental OCP Notice**"); and *provided further* that each additional Ordinary Course Professional shall be subject to these OCP Procedures.

(vii) If no objection to the Supplemental OCP Notice is filed with the Court and served upon the Debtor's counsel so as to be actually received within seven calendar days after the filing of the applicable Supplemental OCP Notice, the amended OCP List will be deemed approved by the Court in accordance with the provisions of this Motion and without the need for a hearing or further Court order. Any Ordinary Course Professionals retained pursuant to a Supplemental OCP Notice will be paid in accordance with the terms and conditions as set forth in these OCP Procedures.

(viii) Subject to the foregoing and the OCP Caps (as defined below), the Debtor will be authorized to pay postpetition compensation and reimburse expenses to each of the Ordinary Course Professionals retained in the same manner as such Ordinary Course Professional was compensated and reimbursed before the Petition Date, without prior application to the Court by such Ordinary Course Professional, in the full undisputed amount billed by each such Ordinary Course Professional upon receipt of reasonably detailed invoices indicating the nature of the services rendered and expenses incurred, in each case calculated in accordance with such Ordinary Course Professional's standard billing practices, *provided* that the Debtor shall have the right to dispute any such invoices.

(ix) For each Ordinary Course Professional set forth on **Exhibit 1** to this Order (each, a "**Tier 1 OCP**"), total compensation and reimbursements shall not exceed $75,000 per month (on average over a rolling three-month basis), for each month starting from the first full month following the Petition Date, for services rendered

to the Debtor (the "**Tier 1 Monthly Cap**"), and $350,000 for the duration of this Chapter 11 Case (the "**Tier 1 Case Cap**").

(x) For each Ordinary Course Professional set forth on **Exhibit 2** to this Order (each, a "**Tier 2 OCP**"), total compensation and reimbursements shall not exceed $10,000 per month (on average over a rolling three-month basis), for each month starting from the first full month following the Petition Date, for services rendered to the Debtor (the "**Tier 2 Monthly Cap**," and together with the Tier 1 Monthly Cap, the "**OCP Monthly Caps**"), and $50,000 for the duration of this Chapter 11 Case (the "**Tier 2 Case Cap**," and together with the Tier 1 Case Cap, the "**OCP Case Caps**"; the OCP Monthly Caps and the OCP Case Caps are, together, the "**OCP Caps**").

(xi) To the extent an Ordinary Course Professional's monthly compensation and reimbursements are less than the applicable OCP Monthly Cap, the amount by which such compensation and reimbursements are below the applicable OCP Monthly Cap may be carried over to successive periods, subject at all times to the applicable OCP Case Cap, subject to further order of the Court.

(xii) To the extent an Ordinary Course Professional seeks compensation in excess of the applicable OCP Monthly Cap ("**Excess Fees**"), (a) the Debtor may pay the Ordinary Course Professional's fees and expenses up to the applicable OCP Cap, and (b) such Ordinary Course Professional shall, with respect to the Excess Fees, file with the Court a notice of fees in excess of the applicable cap (the "**Notice of Excess Fees**") and an invoice setting forth, in reasonable detail, the nature of the services rendered and disbursements actually incurred. The Notice Parties shall then have 14 days to file an objection to the Notice of Excess Fees with the Court. If after 14 days no objection is filed, the Ordinary Course Professional may be paid 100% of its fees and 100% of its expenses on account of the Excess Fees without the need to file a fee application and such Excess Fees will be deemed approved. If an objection is timely filed and such objection cannot be resolved within 20 days of it being filed, the Debtor will schedule the matter for a hearing before the Court.

(xiii) Payment to any one Ordinary Course Professional shall not exceed the applicable OCP Case Cap, unless otherwise ordered by the Court. In the event that an Ordinary Course Professional's fees and expenses exceed the applicable OCP Case Cap, such Ordinary Course Professional shall be required to file a separate retention application to be retained as a professional pursuant to section 327 of the Bankruptcy Code.

(xiv) If (a) the Debtor, (b) the United States Trustee, and (c) the Committee agree to increase one or more of the OCP Caps, the increased cap amount, as applicable, shall be deemed approved without further action of the Court, *provided* that the Debtor shall file a notice with the Court of any such agreed increase. In the absence of an agreement, the OCP Caps described above will be enforced, subject

to the right of the Debtor to file a motion, on notice to the Notice Parties, seeking an order to increase one or more of the OCP Caps.

(xv) At three-month intervals during the pendency of this Chapter 11 Case (each, a "Quarter"), with the first such period commencing on the Petition Date and ending on November 30, 2021, the Debtor will file with the Court and serve on the Notice Parties, no later than 31 days after the last day of such Quarter, a statement that will include the following information for each Ordinary Course Professional: (a) the name of the Ordinary Course Professional; and (b) for each Quarter, the aggregate amounts paid as compensation for services rendered and as reimbursement of expenses incurred by such Ordinary Course Professional.

3. Entry of this Order and approval of the OCP Procedures does not affect the Debtor's ability to (a) dispute any invoice submitted by an Ordinary Course Professional or (b) retain additional Ordinary Course Professionals from time to time as needed, and the Debtor reserves all of its rights with respect thereto.

4. The form of OCP Declaration and Retention Questionnaire attached hereto are hereby approved.

5. The Debtor is authorized to take all reasonable action necessary to effectuate the relief granted in this Order.

6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: _____, 2021
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Tier 1 Ordinary Course Professionals

Tier 1 OCP List

Name of Professional	Services Performed By Professional
Hogan Lovells	U.S. regulatory counsel; certain non-bankruptcy U.S.-based litigation
Togut, Segal & Segal LLP	Expert retained in connection with Philippine insolvency proceedings
Angara Abello Concepcion Regala & Cruz Law Offices	Philippine legal counsel
Quisumbing Torres (Baker McKenzie)	Counsel for certain labor matters

Exhibit 2

Tier 2 Ordinary Course Professionals

Tier 2 OCP List

Name of Professional	Services Performed By Professional
Holman Fenwick Willan Middle East LLP	Middle East regulatory counsel
Holman Fenwick Willan Singapore LLP	Asia and UK regulatory counsel; advise on certain customer claims
Lowndes Jordan	New Zealand regulatory counsel
Stikeman Elliot	Canadian regulatory counsel
Laguesma Magsalin Consulta & Gastardo	Counsel for certain labor matters
Zambrano & Gruba Law Offices	Counsel for certain tax matters

Exhibit 3

OCP Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

AFFIDAVIT AND DISCLOSURE STATEMENT OF_____,

ON BEHALF OF_____

STATE OF_____)
)
COUNTY OF_____)

_____, being duly sworn, deposes and says as follows:

1. I am a _____ of _____, located at _____(the "**Firm**").

2. Philippine Airlines, Inc. ("**PAL**"), the debtor and debtor in possession in this chapter 11 case (the "**Debtor**"), has requested the Firm provide _____ services to the Debtor, and the Firm has consented to provide such services (the "**Services**").

3. The Services include, but are not limited to, the following: _____.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to this chapter 11 case, for persons that are parties in interest in the Debtor's chapter 11 case. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or

[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.

be claimants, employees of the Debtor, or other parties in interest in this chapter 11 case. The Firm does not perform services for any such person in connection with this chapter 11 case. In addition, the Firm does not have any relationship with any such person, their attorneys, or their accountants that would be adverse to the Debtor or the Debtor's estate with respect to the matters on which the Firm is to be retained.

5. Neither I, nor any principal of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtor with any other person other than the principals and regular employees of the Firm.

6. Neither I, nor any principal of, or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtor or the Debtor's estate with respect to the matters on which the Firm is to be retained.

7. As of the date of the commencement of its chapter 11 case, the Debtor owes the Firm $**[AMOUNT]** in respect of prepetition services rendered to the Debtor.

8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtor, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described in this affidavit, the Firm will supplement the information contained in this Affidavit.

[*Remainder of Page Intentionally Left Blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on **[DATE]**.

_____
Affiant Name

SWORN TO AND SUBSCRIBED before me this __ day of _____, 2021.

_____
Notary Public

Exhibit 4

Retention Questionnaire

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
PHILIPPINE AIRLINES, INC.,[1]	Case No. 21-11569 (SCC)
Debtor.	

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Philippine Airlines, Inc. ("**PAL**"), the debtor and debtor in possession in this chapter 11 case, (the "**Debtor**").

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.

RETURN FOR FILING BY THE DEBTOR TO:

DEBEVOISE & PLIMPTON LLP
919 Third Avenue
New York, New York 10022
Attn: Jasmine Ball, Nick S. Kaluk, III. and Elie J. Worenklein

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate.

If more space is needed, please complete on a separate page and attach.

1. Name and address of company:

_____

_____

_____

2. Date of retention: _____

3. Type of services to be provided (accounting, legal, etc.):

[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.

4. Brief description of services to be provided:

5. Arrangements for compensation (hourly, contingent, etc.)

(a) Average hourly rate (if applicable): _____

(b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition):

6. Prepetition claims against the Debtor held by the company:

Amount of claim: $_____

Date claim arose: _____

Nature of claim: _____

7. Prepetition claims against the Debtor held individually by any member, associate, or professional employee of the company:

Name: _____

Status: _____

Amount of claim: $_____

Date claim arose: _____

Nature of claim: _____

8. Disclose the nature and provide a brief description of any interest adverse to the Debtor or to the Debtor's estate for the matters on which the company is to be employed.

_____

_____

_____

9. Name and title of individual completing this form.

_____

Dated: _____