

MATTER: 1. [800] Decision on the Recognition under Section 316
COURT : 2nd. Civil Court of Santiago
CASE- DOCKET : C-8553-2020
IN RE: LATAM AIRLINES GROUP S.A./TECHNICAL TRAINING LATAM
S.A.

In Santiago, on June 4, 2020

Ruling rendered on the motion filed on June 1, 2020

With regard to the main claim and first addendum: they have been decided herein.

With regard to the second addendum: the annexed documents are considered duly enclosed to the record of the case.

The third Addendum: is to be taken into account

With regard to the fourth Addendum: the invoked legal capacity is taken into consideration, and the document evidencing it is considered duly annexed.

With regard to the Fifth Addendum: The legal counseling and power of attorney are taken into account.

The sixth addendum: has been taken into consideration according to the provisions set forth in section 6 of Law No. 20.720.

This Court having examined the petition filed herein from which it arises:

First: The appearance entered in this court by the attorneys-at-law José María Eyzaguirre Baeza, Cristóbal Eyzaguirre Baeza, Nicolás Luco Illanes and José Miguel Huerta Molina, acting in the name and on behalf of LATAM Airlines Group S.A., doing business as an aeronautical company, all of them domiciled at Presidente Riesco 5711, 20th floor, Las Condes, in Santiago who requested the recognition by the Chilean court of the core reorganization proceeding under Chapter 11, Title 11 of the US Bankruptcy Code, pending in the US Bankruptcy Court for the Southern District of New York, docket N ° 20-11254, and which was brought on May 28, 2020.

Second: That section 314 of Law No. 20.720 sets forth that the motion for recognition in Chile of the core foreign reorganization proceeding shall meet the following requirements:

1. Be filed by the foreign representative who has been empowered in a foreign proceeding to administer the reorganization or liquidation of the debtor's assets or businesses or to act as representative of the foreign proceeding.

2. Be submitted together with an authorized copy of the resolution declaring the commencement of the foreign proceeding together with the appointment of the foreign representative; or a certificate issued by the foreign court attesting to the existence of the foreign proceeding and the appointment of the foreign representative; or any other document issued by an authority of the foreign State in whose territory the aforementioned proceeding has been brought, and which allows the competent court to be fully convinced of both the existence thereof and the appointment of the foreign representative.

3. Be submitted together with a declaration duly stating the details of all the foreign proceedings brought regarding the debtor known to the foreign representative.
4. That all the documents supporting the motion be submitted duly translated into Spanish.
5. That all the public documents issued abroad referred to in Chapter VIII of Law No. 20.720 be submitted duly legalized in accordance with section 345 of the Chilean Code of Civil Procedure

Third: That the first two requirements stated above are met in this case by the documents annexed to the motion and singled out as “*Order authorizing the debtors to operate their businesses in the ordinary course and ordering the implementation of the automatic stay of the proceedings brought against them*” and “*Order authorizing the debtor Latam Airlines Group S.A. to act as foreign representative of the debtors*”, both of them corresponding to copies of the resolutions issued by the United States Federal Bankruptcy Judge for the Southern District of New York, dated May 28, 2020. The first of them sustain the motion for reorganization under Chapter 11 of Title 11 of the US Code, filed by LATAM Airlines Group S.A. (the “Parent Company of LATAM”), and its related debtors and debtors in possession of its assets; while the second one authorizes the Parent Company of LATAM to act as a foreign representative and seek in Chile, in the name and on behalf of the debtors, the recognition of the reorganization proceeding brought under Chapter 11 of Title 11 of the US Code.

With regard to the third requirement mentioned above, a declaration signed by Nicolás Luco Illanes, representing LATAM Airlines Group SA, was attached to the motion referred to above, stating that the only foreign proceeding brought in the terms of Law No. 20.720, affecting the debtors in respect of whom the foreign recognition has been requested, is the one pending in the United States Bankruptcy Court for the Southern District of New York, *in re: "LATAM Airlines Group and other Debtors"* under N° 20-11254.

With regard to the last two requirements specified above, it should be noted that the documents annexed to the motion have been duly translated into Spanish, and those corresponding to public instruments executed in the United States - a member of The Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents- have been duly legalized, notarized and apostilled as provided for in sections 345 and 345 bis of the Chilean Code of Civil Procedure.

Fourth: That, having fulfilled the formal requirements set forth in section 314 of Law No. 20.720, it is now relevant to address the substantive provisions to be complied with under section 316 of such Law in order to sustain the motion for recognition of a main foreign proceeding, to wit:

- 1.- That the specific measures ordered by the foreign court do not infringe the internal public policy.

2.- That the foreign proceeding is a proceeding within the meaning of paragraph a) of section 301 of Law No. 20.720;

3.- That the foreign representative seeking the recognition is an individual or a corporation within the meaning of paragraph d) of section 301 of Law No. 20.720;

4.- That the motion meets the requirements set forth in paragraph 2) of section 314, of Law No. 20.720.

5.- That the motion has been filed with the competent court pursuant to section 303 of Law No. 20.720.

6.- That the main foreign proceeding is being heard and tried in the State where the debtor's main center of his interests is located.

Fifth: That the rulings rendered by the United States Federal Bankruptcy Judge for the Southern District of New York, dated May 28, 2020, basically order: (i) to sustain the reorganization motion; (ii) to stay all executions, foreclosures, proceedings and collections against the debtors; (iii) to appoint a LATAM Airlines Group S.A. as foreign representative; and (iv) to respectfully request the courts and regulatory or administrative bodies having jurisdiction in Chile to recognize the capacity as foreign representative of the Parent Company of Latam, assisting it in that capacity as well as its debtors. The foregoing does not in any way disturb or threaten the internal public policy; and that is the reason for which the first requirements mentioned above are considered as met.

The second requirement set forth in section 316 of the Chilean Law No. 20.720 has also been met because the proceeding brought in the United States, evidenced by the documents referred to above, is recognized as a reorganization proceeding handled and processed under the US Bankruptcy Law, and in which the debtor's assets and businesses have been subject to the control or supervision of the court or foreign representative.

Finally, the third and fourth requirements referred to above are deemed met as discussed in the first paragraph of the third recital hereof.

With regard to the fifth requirement set forth in section 316 of Law No. 20.720, it should be pointed out that this court has jurisdiction over the matter at issue in such proceeding because the petitioner's place of business/registered office is located in Chile, specifically at Avenida Presidente Riesco No. 5711, floor 20, in Las Condes, Metropolitan Region.

With regard to the last requirement set forth in section 316 of Law No. 20.720, the annual report for the year 2019 annexed to the motion filed in this proceeding, evidences that the Latam Group develops a relevant part of its business in the United States, listing its shares on the stock exchange of New York, issuing bonds in the international market to obtain

financing in accordance with the US securities laws, and it is also the place where its reorganization is currently being processed. Therefore, it is worth considering that the United States is the State where the debtor has the center of his main interests, thus verifying the fulfillment of the last of the analyzed requirements.

Sixth: That, given that the motion meets all the formal and substantive requirements, the motion is to be sustained, as stated below.

Therefore, and based on the provisions set forth in sections 299, 300, 301, 305, 308, 313, 315 and 319 of Law No. 20.720, **I do hereby order:**

I.-To recognize in Chile, the foreign reorganization proceeding brought by LATAM Airlines Group S.A. in the United States Bankruptcy Court for the Southern District of New York under No. 20-11254.

II.- To stay and suspend, effective from the date hereof and during the period of time in which said proceeding is handled and processed:

- a) the initiation or continuation of all the individual actions or proceedings brought with respect to the debtor's assets, rights, obligations or responsibilities.
- b) any individual enforcement measure against the debtor's assets.
- c) all rights to transfer or encumber the debtor's assets, as well as to otherwise dispose of those assets.

III.- That the scope, modification and termination of the stay or suspension referred to above shall be subject to the provisions set forth in Law No. 20.720 and shall exclusively refer to those assets that are located in the Chilean territory.

IV.- That the provisions set forth in sub-paragraph a) of paragraph II above, shall not affect the right to bring individual actions or proceedings provided that it is necessary to preserve a credit against the debtor.

V.- That the provisions set forth in paragraph II shall not affect the right to file for reorganization in accordance with Law No. 20.720 or to proof or verify any claims in the respective proceeding.

It is also hereby ordered to publish notice hereof in the *Boletín Concursal* (Chilean Insolvency Bulletin) in accordance with the provisions set forth in section 6 of Law No. 20.720.

Ruling rendered by Gustavo Cerón Seguel, *Pro Tempore* Judge.

Notice hereof has been served in the City of Santiago, on June 4, 2020

GUSTAVO DAVID CERÓN SEGUEL

Date: 6/4/2020 07:57:53 PM

This document has been electronically signed and its original can be validated at <http://verificadoc.pjud.cl> or during the course of the proceedings.

As from April 05, 2020, the time displayed corresponds to the winter time established in Continental Chile. For the Magallanes and Chilean Antarctic Region add one hour, while for Western Insular Chile, Easter Island and Salas y Gómez Island subtract two hours. For further information, consult <http://www.horaoficial.cl>