



Cebu Air, Inc.
Cebu Pacific Building
Domestic Road
Pasay City 1301, Philippines
cebupacificair.com

Via EDGE

02 March 2021

THE PHILIPPINE STOCK EXCHANGE, INC.
6th Floor PSE Tower
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City, Philippines

Attention: **Mr. Norberto T. Moreno, Jr.**
Head, Listings Department

Re: Cebu Air, Inc.'s Conversion Guidelines

Ladies and Gentlemen:

In response to the clarifications received by the PSE on the Conversion Guidelines, we would like to clarify that there is no requirement to pay the Conversion Price of PHP38.00 upon conversion of the Convertible Preferred Shares. Attached is the amended Conversion Guidelines.

Thank you.

Respectfully,

A handwritten signature in black ink, appearing to be "Anne Romadine P. Tieng".

Anne Romadine P. Tieng
Corporate Secretary

**PROCEDURES AND IMPLEMENTING GUIDELINES
FOR THE CONVERSION PROCESS
IN RELATION TO CEBU AIR, INC.'S CONVERTIBLE PREFERRED SHARES**
As of 02 March 2021

These Procedures and Implementing Guidelines (the "Conversion Guidelines") supplement and do not supersede or revoke, and must be read in conjunction with the Final Prospectus dated 15 February 2021 of Cebu Air, Inc. (the "Final Prospectus"), including the section on Terms and Conditions of the Offer, prepared in relation to the stock rights offering of Convertible Preferred Shares (the "Offer"). All requirements stated in the Final Prospectus must be complied with, except when clearly inconsistent herewith. All capitalized terms used have the same meanings ascribed to them in the Final Prospectus, unless otherwise defined herein.

Cebu Air, Inc. (the "Company" or "CEB") is conducting a stock rights offer to raise PHP12,499,999,984.00 from the issuance of Convertible Preferred Shares to existing common shareholders of the Company (the "Eligible Shareholder"). Summarized below are the final key terms of the Offer.

| Key terms of the Offer | |
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| Number of Entitlement Rights to be Offered | 328,947,368 of cumulative, non-voting, non-participating Convertible Preferred Shares with a par value of PHP 1.00 per share |
| Offer Price | PHP 38.00 per Entitlement Right |
| Entitlement Ratio | One Entitlement Right for every 1.8250 CEB Common Shares held as of Record Date |
| Dividend Yield (per annum) | 6.00% |
| Tentative Listing/Issue Date | 29 March 2021 |

As mentioned above, the Convertible Preferred Shares include a convertibility feature and the relevant features are presented below.

| Key terms relevant to the conversion | |
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| Conversion Price | <p>PHP 38.00 per Common Share subject to Adjustment Events as defined below.</p> <p>For the avoidance of doubt, there is no requirement to pay the Conversion Price of PHP38.00 upon conversion of the Convertible Preferred Shares. The Conversion Price is only used as a reference in determining the applicable Conversion Ratio.</p> |
| Conversion Ratio | <p>One Common Share for every one Convertible Preferred Share</p> <p>The Conversion Ratio is calculated by dividing the Offer Price by the applicable Conversion Price.</p> |
| Optional Conversion Period | Based on the Final Prospectus, the Optional Conversion Period means from and including forty (40) days after listing, or, if earlier, the date on which |

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| | <p>approval in principle to list the underlying Common Shares to be issued upon conversion of the Convertible Preferred Shares on the PSE is obtained, up to a date no later than twenty (20) Trading Days prior to the Mandatory Conversion Date or, if the Convertible Preferred Shares shall have been called for redemption, up to a date no later than twenty (20) Trading Days prior to the date fixed for redemption thereof provided, however, that the conversion right shall be suspended during, and the Conversion Period shall not include, any period during which the Company shall close its register of shareholders as may be permissible under the laws of the Philippines.</p> <p><u>The listing approval for the underlying Common Shares has been obtained from the PSE; hence, the shareholders can start to submit a notice of conversion from the listing date of the Convertible Preferred Shares.</u></p> |
| Mandatory Conversion Date | Sixth (6 th) anniversary of the Issue Date |
| Mandatory Conversion | <p>If any Convertible Preferred Shares remain outstanding on the Mandatory Conversion Date, such Convertible Preferred Shares shall be mandatorily converted into Common Shares on such date. For this purpose, the registered shareholders of the Convertible Preferred Shares on Mandatory Conversion Date hereby authorize the Issuer to do all appropriate actions in order to effect the issuance of the Common Shares and to expedite the process and ensure proper issuance of the Common Shares. Charges of the Stock Transfer Agent, such as the cancellation fee and issuance fee, related to Mandatory Conversion will be for the account of the Company.</p> |
| Adjustments to Conversion Price | <p>If there are certain events that will affect the Conversion Price and Conversion Ratio ("Adjustment Events"), the Company shall calculate and determine the adjusted Conversion Price and Conversion Ratio in line with the adjustment mechanisms stated in the Final Prospectus. If there are no Adjustment Events from the Issue Date until the shareholders' intended conversion date ("CS Listing Date"), the Conversion Ratio of one Common Share for every one Convertible Preferred Share shall apply. For the avoidance of doubt, the adjusted Conversion Ratio will be calculated as the Offer Price of PHP 38.00 divided by the adjusted Conversion Price.</p> |

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| | <p>After every Adjustment Event, the Company shall make a disclosure to the PSE as regards the adjusted Conversion Price and Conversion Ratio. The disclosure shall contain (i) a brief description or nature of the Adjustment Event, (ii) the Conversion Price before and after the Adjustment Event, and (iii) the Conversion Ratio before and after the Adjustment Event. The disclosure shall be posted on PSE EDGE and on the Company's website.</p> |
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These Conversion Guidelines aim to outline the detailed process, requirements, and timing of the conversion process.

Procedures for the Optional Conversion of Shares

A. For holders of Certificated Convertible Preferred Shares

1. To exercise the convertibility feature, the holders of certificated Convertible Preferred Shares must duly complete, execute, and deposit at their own expense from 9:00 a.m. to 3:00 p.m. at least twenty (20) Trading Days prior to the CS Listing Date at the office of the Stock Transfer Agent at 15th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City (the "Stock Transfer Agent Office"), two (2) copies of the duly signed notice of conversion in the form obtainable from the specified office of the Stock Transfer Agent and as provided for in Annex A (the "Conversion Notice"). All certificated Convertible Preferred Shares must designate a depository participant ("DP") where the newly issued Common Shares will be delivered to. Hence, the authorized signatory(ies) of the DPs must affix their signature(s) in the "*Depository Participant's Conforme*" portion of the Conversion Notice. In addition to the two (2) copies of the Conversion Notice, the holders of certificated Convertible Preferred Shares must also deliver the following to the Stock Transfer Agent:
 - a. the relevant duly endorsed stock certificate;
 - b. any other documents as may be required under the laws of the Philippines and regulations of the PSE, including but not limited to signature card and identity documents (IDs) for individuals; and corporate documents (e.g. articles of incorporation (AOI), by-laws, general information statement (GIS), secretary's certificate, and signature cards verified by corporate secretary, IDs of authorized signatories) for corporations; and
 - c. the payment of any fees, charges, and taxes attendant to the conversion.

For the avoidance of doubt, the fees, charges, and taxes attendant to the conversion do not include the Conversion Price of PHP38.00. The Conversion Price is only used as a reference in determining the applicable Conversion Ratio.

Offshore certificated shareholders who wish to convert their Convertible Preferred Shares into Common Shares may alternatively submit duly accomplished Conversion Notice and the other documentary requirements directly to the Stock Transfer Agent by sending an electronic copy of such documents, via email, to bdo-stocktransferteam2@bdo.com.ph (Attention: Ms. Gesan Tesiorna) at least twenty (20) Trading Days prior to the CS Listing Date. The original Conversion Notice and the other documentary requirements shall immediately follow via courier for delivery to the office of the Stock Transfer Agent. The tracking number of the couriered document shall be included in the email sent to the Stock Transfer Agent.

The Stock Transfer Agent may reject an incomplete or incorrect Conversion Notice or any Conversion Notice that is not accompanied by the relevant duly endorsed stock certificate(s). Upon reviewing and verifying that the Conversion Notice and the corresponding documentary requirements are complete and satisfactory, the Stock Transfer Agent shall accept and receive the Conversion Notice and issue an acknowledgment receipt to the shareholders.

2. The authorized signatory(ies) of the Stock Transfer Agent must affix their signature(s) in the "Stock Transfer Agent's Conforme" portion of the Conversion Notice, and shall endorse these, together with the other documentary requirements, to the Company no later than three (3) Trading Days from the receipt of complete documentary requirements from the shareholders.
3. Upon receipt of the shareholders' Conversion Notice and other documentary requirements (as may be applicable), the Company shall calculate the applicable Conversion Price and Conversion Ratio to determine the number of Common Shares that will be issued and listed on CS Listing Date. The Company shall indicate the (i) applicable Conversion Price and Conversion Ratio and (ii) equivalent number of Common Shares in the shareholders' Conversion Notice. The authorized signatory(ies) of the Company must also affix their signature(s) in the "Issuer's Conforme" portion of the Conversion Notice.
4. The Company must also prepare a lodgment instruction to the Stock Transfer Agent for the lodgment of the Common Shares with PDTC. The authorized signatory(ies) of the Company must affix their signature(s) in the lodgment instruction.
5. The Company shall submit the following documents to the Stock Transfer Agent not later than five (5) Trading Days before the CS Listing Date:
 - a. One (1) copy of the Conversion Notice, duly filled out by the Company and signed by the Company's authorized signatory(ies);
 - b. Stock certificates of underlying Common Shares; and
 - c. Signed instruction form for lodgment of the Common Shares with PDTC.

The Company shall keep the remaining copy of the signed Conversion Notice for its records.

6. The Stock Transfer Agent shall process the lodgment and cancellation of the Convertible Preferred Shares owned by the shareholders who have successfully submitted their Conversion Notice, and such notice having been signed by the Company. The Stock Transfer Agent shall submit a report (in physical and electronic form) containing the list of shareholders who converted their Convertible Preferred Shares and their designated DPs (the "Conversion Report") to the Company on or before 10:00 a.m. (Manila time), three (3) Trading Days prior to the CS Listing Date. The Stock Transfer Agent shall also submit the Registration Certification and Conversion Report to PDTC on or before 10:00 a.m. (Manila time), three (3) Trading Days prior to the CS Listing Date.
7. The Stock Transfer Agent shall issue and release to PDTC the corresponding *Registry Confirmation Advice* for the Common Shares in favor of the PCD Nominee, three (3) Trading Days prior to CS Listing Date. The *Registry Confirmation Advice* shall include the number of Common Shares that will be issued and credited to the designated DPs.

8. PDTC, upon receipt of (i) payment of the depository fees for the lodgment of the shares from the Company and (ii) the *Registry Confirmation Advice* from the Stock Transfer Agent, and after reconciliation with the Conversion Report, shall issue a certification confirming the total number of Common Shares due for credit to such DPs as provided under the *Registry Confirmation Advice* and that such Common Shares shall be credited to the DP's securities accounts on the CS Listing Date, and transmit such certification to the Company.
9. The Company shall submit the following documents to the PSE on or before 12:00 noon, one (1) Trading Day before the CS Listing Date:
 - a. Corporate Secretary's certificate certifying the Company's receipt of Conversion Notices, indicating therein the name(s) of the shareholder(s) and the corresponding number of Common Shares issued as a result of the conversion of the Convertible Preferred Shares;
 - b. Corporate Secretary's certificate certifying the actual conversion of the Convertible Preferred Shares and the corresponding issuance of the Common Shares from the conversion of the Converted Preferred Shares; and
 - c. Corporate Secretary's certificate certifying that the underlying Common Shares of the Convertible Preferred Shares will be duly lodged with the PDTC on the scheduled CS Listing Date. This certificate should make reference to the number of shares for listing, the date of actual lodgment and the listing application covering such shares.
10. On the relevant CS Listing Date, PDTC shall credit the securities accounts of the designated DP(s) for the corresponding Common Shares due for credit to such DP.

B. For holders of Scripless Convertible Preferred Shares

1. To exercise the convertibility feature, the holders of scripless Convertible Preferred Shares must duly complete, execute, and deposit at their own expense from 9:00 a.m. to 3:00 p.m. at least twenty (20) Trading Days prior to the CS Listing Date at the office of the registered shareholders' DP two (2) copies of the duly signed Conversion Notice. In addition to the two (2) copies of the Conversion Notice, the shareholders must also deliver the following to their respective DPs:
 - a. the registered shareholder's duly signed instruction form to uplift the Convertible Preferred Shares to effect the conversion of such Convertible Preferred Shares;
 - b. any other documents as may be required under the laws of the Philippines and regulations of the PSE; and
 - c. the payment of any fees, charges, and taxes attendant to the conversion.

For the avoidance of doubt, the fees, charges, and taxes attendant to the conversion do not include the Conversion Price of PHP38.00. The Conversion Price is only used as a reference in determining the applicable Conversion Ratio.

Moreover, the holders of scripless Convertible Preferred Shares must follow additional instructions from their respective DPs, if any, as regards the submission of the documentary requirements.

Offshore holders of scripless shares who wish to convert their Convertible Preferred Shares into Common Shares may alternatively submit duly accomplished Conversion

Notice and the other documentary requirements directly to their respective DPs by sending an electronic copy of such documents, via email, at least twenty (20) Trading Days prior to the CS Listing Date. The original Conversion Notice and the other documentary requirements shall immediately follow via courier for delivery to the office of the respective DPs. The tracking number of the couriered document shall be included in the email sent to the DPs.

The DPs may reject an incomplete or incorrectly accomplished Conversion Notice, or any Conversion Notice that is not accompanied by the registered shareholder's duly signed instruction form to uplift the Convertible Preferred Shares.

2. After receipt of the registered shareholders' duly signed instruction form to uplift the Convertible Preferred Shares, the DPs shall immediately commence the upliftment process. The DPs shall coordinate with the relevant parties (e.g. PDTC and Stock Transfer Agent) as may be necessary and they shall follow the usual procedures for upliftment of shares. However, to facilitate receipt of the Common Shares on the target CS Listing Date, the shareholders are required to apply for an "express" or "rush" upliftment of shares. For the avoidance of doubt, all the expenses pursuant to such "express" or "rush" upliftment shall be for the account of the shareholder.

The DPs shall also indicate their broker ID code and PDTC account number in the Conversion Notice. The authorized signatory(ies) of the DPs must affix their signature(s) in the "Depository Participant's Conforme" portion of the Conversion Notice. The DPs shall then submit the Conversion Notice and other documentary requirements to the Stock Transfer Agent no later than two (2) Trading Days from the receipt of such documents from the shareholders.

3. After receipt of the Conversion Notice and other documentary requirements, the authorized signatory(ies) of the Stock Transfer Agent must affix their signature(s) in the "Stock Transfer Agent's Conforme" portion of the Conversion Notice, and shall endorse these, together with the other documentary requirements, to the Company no later than two (2) Trading Days from the completion of the upliftment process.
4. Upon receipt of the shareholders' Conversion Notice and other documentary requirements (as may be applicable), the Company shall calculate the applicable Conversion Price and Conversion Ratio to determine the number of Common Shares that will be issued and listed on CS Listing Date. The Company shall indicate the (i) applicable Conversion Price and Conversion Ratio and (ii) equivalent number of Common Shares in the shareholders' Conversion Notice. The authorized signatory(ies) of the Company must also affix their signature(s) in the "Issuer's Conforme" portion of the Conversion Notice.
5. The Company shall submit the following documents to the Stock Transfer Agent at least five (5) Trading Days before the CS Listing Date:
 - a. One (1) copy of the Conversion Notice, duly filled out by the Company and signed by the Company's authorized signatory(ies);
 - b. Stock certificates of underlying Common Shares; and
 - c. Signed instruction form for lodgment of the Common Shares with PDTC.

The Company shall keep the remaining copy of the signed Conversion Notice for its records.

6. The Stock Transfer Agent shall process the lodgment and cancellation of the Convertible Preferred Shares owned by the shareholders who have successfully submitted their Conversion Notice, and such notice having been signed by the Company. The Stock Transfer Agent shall submit a copy of the Conversion Report (in physical and electronic form) to the Company on or before 10:00 a.m. (Manila time), three (3) Trading Days prior to the CS Listing Date. The Stock Transfer Agent shall also submit the Registration Certification and Conversion Report to PDTC on or before 10:00 a.m. (Manila time), three (3) Trading Days prior to the CS Listing Date.
7. The Stock Transfer Agent shall issue and release to PDTC the corresponding *Registry Confirmation Advice* for the Common Shares in favor of the *PCD Nominee*, three (3) Trading Days prior to CS Listing Date. The *Registry Confirmation Advice* shall include the number of Common Shares that will be issued and credited to the designated DPs.
8. PDTC, upon receipt of (i) payment of the depository fees for the lodgment of the shares from the Company and (ii) the *Registry Confirmation Advice* from the Stock Transfer Agent, and after reconciliation with the Conversion Report, shall issue a certification confirming the total number of Common Shares due for credit to such DPs as provided under the *Registry Confirmation Advice* and that such Common Shares shall be credited to the DP's securities accounts on the CS Listing Date, and transmit such certification to the Company.
9. The Company shall submit the following documents to the PSE on or before 12:00 noon, one (1) Trading Day before the CS Listing Date:
 - a. Corporate Secretary's certificate certifying the Company's receipt of Conversion Notices, indicating therein the name(s) of the shareholder(s) and the corresponding number of Common Shares issued as a result of the conversion of the Convertible Preferred Shares;
 - b. Corporate Secretary's certificate certifying the actual conversion of the Convertible Preferred Shares and the corresponding issuance of the Common Shares from the conversion of the Converted Preferred Shares;
 - c. Corporate Secretary's certificate certifying that the underlying Common Shares of the Convertible Preferred Shares will be duly lodged with the PDTC on the scheduled CS Listing date. This certificate should make reference to the number of shares for listing, the date of actual lodgment, and the listing application covering such shares.
10. On the CS Listing Date, PDTC shall credit the securities accounts of the designated DP(s) for the corresponding Common Shares due for credit to such DP.

Procedures for the Mandatory Conversion of Shares

If any Convertible Preferred Shares remain outstanding on the 6th anniversary of the Issue Date (the "Mandatory Conversion Date"), such Convertible Preferred Shares shall be mandatorily converted into Common Shares on such date. For this purpose, the registered shareholders of the Convertible Preferred Shares on Mandatory Conversion Date authorize the Company to do all appropriate actions in order to effect the issuance of the Common Shares and to expedite the process and ensure proper issuance of the Common Shares. Charges of the Stock Transfer Agent, such as the cancellation fee and issuance fee, related to Mandatory Conversion will be for the account of the Company.

1. The Company shall prepare a disclosure notifying the public about the Mandatory Conversion and the relevant requirements to facilitate processing of such Mandatory Conversion (the "Mandatory Conversion Disclosure"). The Mandatory Conversion Disclosure shall be posted on the PSE EDGE, and on the Company's website at least forty-five (45) Trading Days before the Mandatory Conversion Date. The disclosure shall contain the (i) Mandatory Conversion Date, (ii) prevailing Conversion Price and Conversion Ratio as of the date of the Mandatory Conversion Disclosure, (iii) the prescribed period when the certificated shareholders of the Convertible Preferred Shares must surrender their stock certificates, and (iv) other terms and procedures in relation to Mandatory Conversion (as may be necessary).

The Company shall require the certificated shareholders of the Convertible Preferred Shares to surrender their duly endorsed stock certificate(s) at least twenty (20) Trading Days before the Mandatory Conversion Date at the Stock Transfer Agent Office. All certificated Convertible Preferred Shares must designate a DP where the newly issued Common Shares will be delivered to. Hence, upon submission of the stock certificate(s), the certificated shareholders must submit the Conversion Notice, which must indicate the designated DP's broker ID code and the PDTC account number, and tick "Mandatory Conversion". This requirement shall be included in the Mandatory Conversion Disclosure.

2. Ten (10) Trading Days before the Mandatory Conversion Date, the Company shall calculate the applicable Conversion Price and Conversion Ratio to determine the number of Common Shares that will be issued and listed on Mandatory Conversion Date. The Company shall prepare a report indicating the (i) applicable Conversion Price and Conversion Ratio, (ii) number of outstanding Convertible Preferred Shares, and (iii) the number of Common Shares to be issued as a result of the Mandatory Conversion (the "Mandatory Conversion Report"). The authorized signatory(ies) of the Company must also affix their signature(s) in the Mandatory Conversion Report.
3. The Company shall submit a copy of the Mandatory Conversion Report, together with the stock certificates of underlying Common Shares and signed instruction form for lodgment of the Common Shares with PDTC, to the Stock Transfer Agent at least five (5) Trading Days before the Mandatory Conversion Date.
4. The Stock Transfer Agent shall process the cancellation of the Convertible Preferred Shares owned by all the remaining shareholders of the Convertible Preferred Shares, and the subsequent lodgment of the Common Shares issued as a result of the Mandatory Conversion. The Stock Transfer Agent shall submit a report (in physical and electronic form) containing the list of all the shareholders included in the Mandatory Conversion and their designated DPs (as applicable) (the "Final Conversion Report") to PDTC on or before 10:00 a.m. (Manila time), three (3) Trading Days prior to the Mandatory Conversion Date.
5. The Stock Transfer Agent shall issue and release to PDTC the corresponding *Registry Confirmation Advice* for the Common Shares in favor of the PCD Nominee, three (3) Trading Days prior to the Mandatory Conversion Date. The *Registry Confirmation Advice* shall include the number of Common Shares that will be issued and credited to the designated DPs.
6. PDTC, upon receipt of (i) payment of the depository fees for the lodgment of the shares from the Company and (ii) the *Registry Confirmation Advice* from the Stock Transfer Agent, and after reconciliation with the Final Conversion Report, shall issue a certification

confirming the total number of Common Shares due for credit to such DPs as provided under the *Registry Confirmation Advice* and that such Common Shares shall be credited to the DP's securities accounts on the Mandatory Conversion Date, and transmit such certification to the Company.

7. The Company shall submit the following documents to the PSE on or before 12:00 noon, one (1) Trading Day before the Mandatory Conversion Date:
 - a. Corporate Secretary's certificate certifying the corresponding number of Common Shares issued as a result of the conversion of the Convertible Preferred Shares;
 - b. Corporate Secretary's certificate certifying the actual conversion of the Convertible Preferred Shares and the corresponding issuance of the Common Shares from the conversion of the Converted Preferred Shares; and
 - c. Corporate Secretary's certificate certifying that the underlying Common Shares of the Convertible Preferred Shares will be duly lodged with the PDTC on the scheduled Mandatory Conversion Date. This certificate should make reference to the number of shares for listing, the date of actual lodgment, and the listing application covering such shares.
8. On the Mandatory Conversion Date, PDTC shall credit the securities accounts of the designated DP(s) for the corresponding Common Shares due for credit to such DP.
9. For certificated shareholders of the Convertible Preferred Shares who failed to surrender their stock certificates, and were not able to designate a DP within the prescribed period prior to the Mandatory Conversion Date, the Common Shares issued from the Mandatory Conversion of their Convertible Preferred Shares shall be credited to a DP that will be appointed by the Company at least six (6) months before the Mandatory Conversion Date. Such Common Shares shall be uplifted immediately after the Mandatory Conversion Date and the corresponding stock certificates shall be held for safekeeping by the Company or any entity authorized by the Company to hold the stock certificates on its behalf. The shareholders shall only be able to receive the stock certificates of their Common Shares upon submission to the Stock Transfer Agent of the duly endorsed stock certificates of their Convertible Preferred Shares, and after allowing for processing period of such late conversion. The Stock Transfer Agent shall coordinate with the Company or its authorized entity to complete delivery of the stock certificates to the certificated shareholders. All Convertible Preferred Shares will be automatically suspended on the Mandatory Conversion Date.

The conversion will only be completed after the issuance of listed common shares on Mandatory Conversion Date and upon such completion, the shareholders will cease to enjoy the benefits attached to the Convertible Preferred Shares previously owned, including the right to receive preferred dividends.

Any questions related to the Rights Offer or these Conversion Guidelines for the Rights Offer may be directed to representatives of the following:

Cebu Air, Inc.
As Issuer

Trina Asuncion
invrelation@cebupacificair.com

Anne Romadine Tieng
CorporateSecretary@cebupacificair.com

BDO Unibank, Inc.
As Stock Transfer Agent

Gesan Tesiorna
8878-4961

Teodora Arcaba
8878-4963

bdo-stocktransferteam2@bdo.com.ph

This document and the information contained herein are not an offer of securities for sale in the United States or elsewhere. The Entitlement Rights of the Company are not being registered under the U.S. Securities Act and may not be offered or sold in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from such registration. There will be no public offering of the Entitlement in the United States.

Annex A



**CEBU AIR, INC.
CONVERTIBLE PREFERRED SHARES**

CONVERSION NOTICE

Kindly tick the appropriate box:

| | |
|---|---|
| <input type="checkbox"/> Optional Conversion | <i>For Optional Conversion only:</i> <input type="checkbox"/> Certificated Shares <input type="checkbox"/> Scripless Shares |
| <input type="checkbox"/> Mandatory Conversion <i>(for Certificated Shares only)</i> | |

Shareholder Name: _____

Date: _____

Address: _____

To: Cebu Air, Inc. (the "Issuer")

Words and expressions used in this notice shall have the same meanings as when used in the Issuer's Final Prospectus dated 15 February 2021 (the "Final Prospectus") and the Conversion Guidelines dated 01 March 2021 (the "Conversion Guidelines").

I/We, being the registered and beneficial owner of the Convertible Preferred Shares specified below, hereby exercise the right to convert such Convertible Preferred Shares into common shares of the Issuer (the "Common Shares") in accordance with the terms and conditions of the said Convertible Preferred Shares.

1. Details of the Convertible Preferred Shares to be converted:

Total principal amount: _____

Number of Convertible Preferred Shares: _____

Certificate number(s), if applicable: _____

2. The relevant number of Common Shares shall be lodged into the scripless system of the PSE, with legal title lodged in favor or PCD Nominee Corporation for credit to the following PSE participant's stock account:

PSE participant:

PSE participant Broker I.D.:

PDTC account number :

PSE participant's contact person:

PSE participant's contact telephone number and fax number:

3. Documents attached to this notice:

| |
|--|
| <p><input type="checkbox"/> Duly endorsed stock certificate, if applicable</p> <p><i>For individuals:</i></p> <p><input type="checkbox"/> Valid Government issued ID</p> <p><input type="checkbox"/> Signature card</p> <p><i>For corporations:</i></p> <p><input type="checkbox"/> Latest Articles of Incorporation, certified by the corporate secretary</p> <p><input type="checkbox"/> Latest By-laws, certified by the corporate secretary</p> <p><input type="checkbox"/> Latest General Information Statement, stamp received by the SEC</p> <p><input type="checkbox"/> Secretary's Certificate certifying the resolutions approving the conversion of the Convertible Preferred Shares and the authorized signator(ies)</p> <p><input type="checkbox"/> Signature cards, verified by the corporate secretary</p> <p><input type="checkbox"/> Valid Government issued ID of the authorized signator(ies)</p> |
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4. *For Optional Conversion only:*

CS Listing Date (*shareholder's intended conversion date*): _____

I/We agree that the Common Shares are issued subject to the Articles of Incorporation and By-Laws of the Issuer and agree to be bound by the terms and conditions of the Common Shares. I/We further agree that upon the completion of the conversion (whether optional or mandatory), we will cease to enjoy the benefits attached to the Convertible Preferred Shares previously owned, including the right to dividends. Furthermore, I/we shall no longer be entitled to any and all dividends that are undeclared prior to the CS Listing Date or Mandatory Conversion Date, as the case may be.

If an adjustment contemplated by the terms and conditions of the Convertible Preferred Shares is required in respect of a conversion of Convertible Preferred Shares where additional Common Shares are to be issued, such additional Common Shares deliverable pursuant to such adjustment (together with any other securities, property or cash) will be delivered or dispatched in the same manner as instructed above.

For individuals:

Signature: _____

Shareholder Name: _____

For corporations:

Signature: _____

Shareholder Name: _____

Name of authorized signator(ies): _____

Position: _____

PSE Participant's Conformance:

We hereby accept the duties and responsibilities as the designated PSE participant of the shareholder.

Signature: _____

Name: _____

Name of authorized signator(ies): _____

Position: _____

Stock Transfer Agent's Conformance:

We have reviewed and verified this notice and the accompanying documentary requirements and hereby confirm that they are complete and satisfactory.

Signature: _____

Name: _____

Name of authorized signator(ies): _____

Position: _____

To be filled up by the Issuer:

Conversion Price: _____

Conversion Ratio: _____

Number of Common Shares to be issued: _____

Issuer's Conformance:

Signature: _____

Name: _____

Name of authorized signator(ies): _____

Position: _____