

DELTA AIR LINES INC /DE/

FORM 10-K (Annual Report)

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Address	HARTSFIELD ATLANTA INTL AIRPORT 1030 DELTA BLVD ATLANTA, GA 30354-1989
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 001-5424



Delaware
(State or other jurisdiction of incorporation or organization)

58-0218548
(I.R.S. Employer Identification No.)

Post Office Box 20706
Atlanta, Georgia
(Address of principal executive offices)

30320-6001
(Zip Code)

Registrant's telephone number, including area code: (404) 715-2600
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014 was approximately \$32.6 billion .

On January 31, 2015, there were outstanding 824,271,663 shares of the registrant's common stock.

This document is also available on our website at http://www.delta.com/about_delta/investor_relations.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.

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Unless otherwise indicated, the terms “Delta,” “we,” “us,” and “our” refer to Delta Air Lines, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

Statements in this Form 10-K (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to Delta are described in “Risk Factors Relating to Delta” and “Risk Factors Relating to the Airline Industry” in “Item 1A. Risk Factors” of this Form 10-K, other than risks that could apply to any issuer or offering. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

Part I

ITEM 1. BUSINESS

General

We provide scheduled air transportation for passengers and cargo throughout the United States and around the world. Our global route network gives us a presence in every major domestic and international market. Our route network is centered around a system of hub and international gateway airports that we operate in Amsterdam, Atlanta, Detroit, Los Angeles, Minneapolis-St. Paul, New York-LaGuardia, New York-JFK, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. Each of these operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub or gateway to domestic and international cities and to other hubs or gateways. Our network is supported by a fleet of aircraft that is varied in size and capabilities, giving us flexibility to adjust aircraft to the network.

Other key characteristics of our route network include:

- our international joint ventures, particularly our transatlantic joint venture with Air France-KLM and Alitalia and our transatlantic joint venture with Virgin Atlantic;
- our alliances with other foreign airlines, including Aeroméxico and GOL and our membership in SkyTeam, a global airline alliance; and
- agreements with multiple domestic regional carriers, which operate as Delta Connection[®].

We are incorporated under the laws of the State of Delaware. Our principal executive offices are located at Hartsfield-Jackson Atlanta International Airport in Atlanta, Georgia. Our telephone number is (404) 715-2600 and our Internet address is www.delta.com. Information contained on our website is not part of, and is not incorporated by reference in, this Form 10-K.

International Alliances

Our international alliance relationships with foreign carriers are an important part of our business as they improve our access to international markets and enable us to market expanded and globally integrated air transportation services. In general, these arrangements include reciprocal codesharing and frequent flyer program participation and airport lounge access arrangements, and with some carriers may also include joint sales and marketing coordination, co-location of airport facilities and other commercial cooperation arrangements. These alliances also may present opportunities in other areas, such as airport ground handling arrangements, aircraft maintenance insourcing and joint procurement.

Joint Venture Agreements. We currently operate three joint ventures with foreign carriers. These arrangements, for which we have received antitrust immunity from the U.S. Department of Transportation ("DOT"), provide for joint commercial cooperation with our partners within the geographic scope of those arrangements, including the sharing of revenues and/or profits and losses generated by the parties on the joint venture routes, as well as joint marketing and sales, coordinated pricing and revenue management, network planning and scheduling and other coordinated activities with respect to the parties' operations on joint venture routes. The three joint ventures are:

- A transatlantic joint venture with Air France and KLM, both of which are subsidiaries of the same holding company, and Alitalia, which generally covers routes between North America and Europe.
- A transatlantic joint venture with Virgin Atlantic Airways with respect to operations on non-stop routes between the United Kingdom and North America. In addition to the joint venture, we own a non-controlling 49% equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways.
- A transpacific joint venture with Virgin Australia Airlines and its affiliated carriers with respect to operations on transpacific routes between North America and Australia/New Zealand.

Enhanced Commercial Agreements with Latin American Carriers. We have separate strategic equity investments in Grupo Aeroméxico, S.A.B. de C.V., the parent company of Aeroméxico, and in GOL Linhas Aéreas Inteligentes, S.A, the parent company of VRG Linhas Aéreas (operating as GOL), and an exclusive commercial relationship with each air carrier. We invested in Aeroméxico and GOL because they operate in Latin America's two largest markets, Mexico and Brazil, respectively. The agreements provide for expansion of reciprocal codesharing and frequent flyer program participation, airport lounge access arrangements, improved passenger connections and joint sales cooperation. In addition to our commercial cooperation arrangements for passenger service with Aeroméxico, we and Aeroméxico have established a joint venture relating to an airframe maintenance, repair and overhaul operation located in Queretaro, Mexico.

SkyTeam . In addition to our marketing alliance agreements with individual foreign airlines, we are a member of the SkyTeam global airline alliance. The other members of SkyTeam are Aeroflot, Aerolíneas Argentinas, Aeroméxico, Air Europa, Air France, Alitalia, China Airlines, China Eastern, China Southern, CSA Czech Airlines, Garuda Indonesia, Kenya Airways, KLM, Korean Air, Middle East Airlines, Saudi Arabian Airlines, Tarom, Vietnam Airlines and Xiamen Airlines. Through alliance arrangements with other SkyTeam carriers, Delta is able to link its network with the route networks of the other member airlines, providing opportunities for increased connecting traffic while offering enhanced customer service through reciprocal codesharing and frequent flyer arrangements, airport lounge access programs and coordinated cargo operations.

Domestic Alliances

We have reciprocal codesharing and frequent flyer program participation and airport lounge access arrangements with both Alaska Airlines and Hawaiian Airlines.

Regional Carriers

We have air service agreements with domestic regional air carriers that feed traffic to our route system by serving passengers primarily in small and medium-sized cities. These arrangements enable us to better match capacity with demand in these markets. Approximately 18% of our passenger revenue in 2014 was related to flying by these regional air carriers.

Through our regional carrier program, Delta Connection, we have contractual arrangements with regional carriers to operate aircraft using our “DL” designator code. We have contractual arrangements with:

- ExpressJet Airlines, Inc. and SkyWest Airlines, Inc., both subsidiaries of SkyWest, Inc.;
- Shuttle America Corporation, a subsidiary of Republic Airways Holdings, Inc.;
- Compass Airlines, Inc. (“Compass”) and GoJet Airlines, LLC, both subsidiaries of Trans States Holdings, Inc. (“Trans States”); and
- Endeavor Air, Inc., which is a wholly-owned subsidiary of ours.

Our contractual agreements with regional carriers primarily are capacity purchase arrangements, under which we control the scheduling, pricing, reservations, ticketing and seat inventories for the regional carriers' flights operating under our “DL” designator code. We are entitled to all ticket, cargo, mail, in-flight and ancillary revenues associated with these flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services. These capacity purchase agreements are long-term agreements, usually with initial terms of at least 10 years, which grant us the option to extend the initial term. Certain of these agreements provide us the right to terminate the entire agreement, or in some cases remove some of the aircraft from the scope of the agreement, for convenience at certain future dates.

SkyWest Airlines operates some flights for us under a revenue proration agreement. This proration agreement establishes a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

Fuel

Our results of operations are significantly impacted by changes in the price and availability of aircraft fuel. The following table shows our aircraft fuel consumption and costs.

Year	Gallons Consumed ⁽¹⁾ (Millions)	Cost ⁽¹⁾⁽²⁾ (Millions)	Average Price Per Gallon ⁽¹⁾⁽²⁾	Percentage of Total Operating Expense ⁽¹⁾⁽²⁾
2014	3,893	\$ 13,512	\$ 3.47	35%
2013	3,828	\$ 11,464	\$ 3.00	33%
2012	3,769	\$ 12,251	\$ 3.25	36%

⁽¹⁾ Includes the fuel consumption costs of our regional carriers operating under capacity purchase agreements.

⁽²⁾ Includes fuel hedge (losses) gains under our fuel hedging program of \$ (2.0) billion , \$493 million and \$(66) million for 2014 , 2013 and 2012 , respectively.

General

While jet fuel prices fell during the latter part of 2014, fuel expense remains our single largest expense. We have historically purchased most of our aircraft fuel under contracts that establish the price based on various market indices and therefore do not provide material protection against price increases or assure the availability of our fuel supplies. We also purchase aircraft fuel on the spot market, from off-shore sources and under contracts that permit the refiners to set the price.

Monroe Energy

Global jet fuel demand continues to increase. While the advent of domestic shale oil production in the U.S. has reduced the threat of U.S. refinery closures beyond those that have already closed, further capacity reduction is expected in Europe, thus impacting supply in the Atlantic Basin and ultimately increasing refinery margins in the U.S. Our wholly-owned subsidiaries, Monroe Energy, LLC and MIPC, LLC (collectively, “Monroe”), are distinct from us, operating under their own management teams and with their own boards of managers. They operate the Trainer refinery and related assets located near Philadelphia, Pennsylvania, as part of our strategy to mitigate the increasing cost of the refining margin reflected in the price of jet fuel. The facilities include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.

Refinery Operations. The facility is capable of refining 185,000 barrels of crude oil per day. In addition to jet fuel, the refinery's production consists of gasoline, diesel and other refined products (“non-jet fuel products”). Monroe sources domestic and foreign crude oil supply from a variety of providers.

Strategic Agreements. Under multi-year agreements, Monroe exchanges the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. Substantially all of the refinery's expected production of non-jet fuel products is included in these agreements.

Segments . Because the products and services of Monroe's refinery operations are discrete from our airline services, segment results are prepared for our airline segment and our refinery segment. Financial information on our segment reporting can be found in Note 2 of the Notes to the Consolidated Financial Statements.

Fuel Hedging Program

We actively manage our fuel price risk through a hedging program intended to reduce the financial impact from changes in the price of jet fuel. We utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We rebalance the hedge portfolio from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates .

Fuel Supply Availability

We are currently able to obtain adequate supplies of aircraft fuel, including fuel produced by Monroe or procured through the exchange of non-jet fuel products the refinery produces, and crude oil for Monroe's operations. However, it is impossible to predict the future availability or price of aircraft fuel and crude oil. Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in government policy concerning aircraft fuel production, transportation or marketing, changes in refining capacity, environmental concerns and other unpredictable events may result in future fuel supply shortages and fuel price increases.

Frequent Flyer Program

Our SkyMiles[®] frequent flyer program ("SkyMiles program") is designed to retain and increase traveler loyalty by offering incentives to customers to increase travel on Delta. The SkyMiles program allows program members to earn mileage credit for travel awards by flying on Delta, its regional carriers and other participating airlines. Mileage credit may also be earned by using certain services offered by program participants, such as credit card companies, hotels and car rental agencies. In addition, individuals and companies may purchase mileage credits. Miles do not expire, but are subject to the program rules. We reserve the right to terminate the program with six months advance notice, and to change the program's terms and conditions at any time without notice.

SkyMiles program mileage credits can be redeemed for air travel on Delta and participating airlines, for membership in our Delta Sky Clubs[®] and for other program participant awards. Mileage credits are subject to certain transfer restrictions and travel awards are subject to capacity-controlled seating. In 2014, program members redeemed more than 296 billion miles in the SkyMiles program for 12.5 million award redemptions. During this period, 7.4% of revenue miles flown on Delta were from award travel.

Other Businesses

Cargo

Through our global network, our cargo operations are able to connect all of the world's major freight gateways. We generate cargo revenues in domestic and international markets through the use of cargo space on regularly scheduled passenger aircraft. We are a member of SkyTeam Cargo, a global airline cargo alliance, whose other members are Aeroflot, Aerolíneas Argentinas, Aeroméxico Cargo, Air France-KLM Cargo, Alitalia Cargo, China Airlines Cargo, China Cargo Airlines, China Southern Cargo, Czech Airlines Cargo and Korean Air Cargo. SkyTeam Cargo offers a global network spanning six continents.

Delta TechOps, Delta Global Services, MLT Vacations and Delta Private Jets

We have several other businesses arising from our airline operations, including aircraft maintenance, repair and overhaul ("MRO"), staffing services for third parties, vacation wholesale operations and our private jet operations. In 2014, the total revenue from these businesses was approximately \$850 million.

- In addition to providing maintenance and engineering support for our fleet of over 900 aircraft, our MRO operation, known as Delta TechOps, serves aviation and airline customers from around the world.
- Our staffing services business, Delta Global Services, provides staffing services, professional security, training services and aviation solutions.
- Our vacation wholesale business, MLT Vacations, provides vacation packages to third-party consumers.
- Our private jet operations, Delta Private Jets, provides aircraft charters, aircraft management and programs allowing members to purchase flight time by the hour.

Distribution and Expanded Product Offerings

Our tickets are sold through various distribution channels including delta.com and mobile, telephone reservations and traditional "brick and mortar" and online travel agencies. An increasing number of our tickets are sold through Delta digital channels, which reduces our distribution costs and gives us improved and direct, personalized interaction with our customers.

We are transforming distribution to a merchandised approach by introducing well-defined and differentiated products available to our customers. We will offer five products, which include premium amenities and services in Delta One™, First Class and Delta Comfort+™ (formerly Economy Comfort™) while Main Cabin and Basic Economy options allow customers to match the level of service with their preferences. We expect that these merchandising initiatives, implemented primarily through Delta's digital channels, will allow customers to better understand our product offerings, make it easier to buy the products they desire and increase customer satisfaction.

Competition

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), services, products, customer service and frequent flyer programs. The industry is going through a period of transformation through consolidation, both domestically and internationally, and changes in international alliances. Consolidation in the airline industry, the rise of well-funded government sponsored international carriers, changes in international alliances and the creation of immunized joint ventures have altered and will continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and competitive cost structures.

Domestic

Our domestic operations are subject to competition from traditional network carriers, including American Airlines and United Airlines, national point-to-point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and discount carriers, some of which may have lower costs than we do and provide service at low fares to destinations served by us. Point-to-point, discount and ultra low-cost carriers, including Spirit Airlines and Allegiant Air, place significant competitive pressure on network carriers in the domestic market. In particular, we face significant competition at our domestic hub and gateway airports either directly at those airports or at the hubs of other airlines that are located in close proximity to our hubs and gateways. We also face competition in smaller to medium-sized markets from regional jet operations of other carriers.

International

Our international operations are subject to competition from both foreign and domestic carriers. Competition is increasing from well-funded carriers in the Gulf region, including Emirates, Etihad Airways and Qatar Airways. These carriers have large numbers of international widebody aircraft on order and are increasing service to the U.S. from their hubs in the Middle East. Several of these carriers, along with carriers from China, India and Latin America, are government supported or funded, which has allowed them to grow quickly, reinvest in their product and expand their global presence at the expense of U.S. airlines.

Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships. In particular, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have altered competition in international markets.

In addition, several joint ventures among U.S. and foreign carriers, including our transatlantic and transpacific joint ventures, have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. Other joint ventures that have received antitrust immunity include a transatlantic alliance among United Airlines, Air Canada and Lufthansa German Airlines, a transpacific joint venture between United Airlines and All Nippon Airways, a transatlantic joint venture among American Airlines, British Airways and Iberia and a transpacific joint venture between American Airlines and Japan Air Lines.

Regulatory Matters

The DOT and the Federal Aviation Administration (the “FAA”) exercise regulatory authority over air transportation in the U.S. The DOT has authority to issue certificates of public convenience and necessity required for airlines to provide domestic air transportation. An air carrier that the DOT finds fit to operate is given authority to operate domestic and international air transportation (including the carriage of passengers and cargo). Except for constraints imposed by regulations regarding “Essential Air Services,” which are applicable to certain small communities, airlines may terminate service to a city without restriction.

The DOT has jurisdiction over certain economic and consumer protection matters, such as unfair or deceptive practices and methods of competition, advertising, denied boarding compensation, baggage liability and disabled passenger transportation. The DOT also has authority to review certain joint venture agreements between major carriers and engages in regulation of economic matters such as slot transactions. The FAA has primary responsibility for matters relating to the safety of air carrier flight operations, including airline operating certificates, control of navigable air space, flight personnel, aircraft certification and maintenance and other matters affecting air safety.

Authority to operate international routes and international codesharing arrangements is regulated by the DOT and by the governments of the foreign countries involved. International certificate authorities are also subject to the approval of the U.S. President for conformance with national defense and foreign policy objectives.

The Transportation Security Administration and the U.S. Customs and Border Protection, each a division of the Department of Homeland Security, are responsible for certain civil aviation security matters, including passenger and baggage screening at U.S. airports and international passenger prescreening prior to entry into or departure from the U.S.

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over airline competition matters. The U.S. Postal Service has authority over certain aspects of the transportation of mail. Labor relations in the airline industry, as discussed below, are generally governed by the Railway Labor Act. Environmental matters are regulated by various federal, state, local and foreign governmental entities. Privacy of passenger and employee data is regulated by domestic and foreign laws and regulations.

Fares and Rates

Airlines set ticket prices in all domestic and most international city pairs with minimal governmental regulation, and the industry is characterized by significant price competition. Certain international fares and rates are subject to the jurisdiction of the DOT and the governments of the foreign countries involved. Many of our tickets are sold by travel agents, and fares are subject to commissions, overrides and discounts paid to travel agents, brokers and wholesalers.

Route Authority

Our flight operations are authorized by certificates of public convenience and necessity and also by exemptions and limited-entry frequency awards issued by the DOT. The requisite approvals of other governments for international operations are controlled by bilateral agreements (and a multilateral agreement in the case of the U.S. and the European Union) with, or permits or approvals issued by, foreign countries. Because international air transportation is governed by bilateral or other agreements between the U.S. and the foreign country or countries involved, changes in U.S. or foreign government aviation policies could result in the alteration or termination of such agreements, diminish the value of our international route authorities or otherwise affect our international operations. Bilateral agreements between the U.S. and various foreign countries served by us are subject to renegotiation from time to time. The U.S. government has negotiated “open skies” agreements with many countries, which allow unrestricted access between the U.S. and the foreign markets. These agreements include separate agreements with the European Union and Japan.

Certain of our international route authorities are subject to periodic renewal requirements. We request extension of these authorities when and as appropriate. While the DOT usually renews temporary authorities on routes where the authorized carrier is providing a reasonable level of service, there is no assurance this practice will continue in general or with respect to a specific renewal. Dormant route authorities may not be renewed in some cases, especially where another U.S. carrier indicates a willingness to provide service.

Airport Access

Operations at four major domestic airports and certain foreign airports served by us are regulated by governmental entities through allocations of “slots” or similar regulatory mechanisms which limit the rights of carriers to conduct operations at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the U.S., the FAA currently regulates the allocation of slots, slot exemptions, operating authorizations, or similar capacity allocation mechanisms at Reagan National in Washington, D.C. and LaGuardia, JFK and Newark in the New York City area. Our operations at these airports generally require the allocation of slots or analogous regulatory authorizations. Similarly, our operations at Tokyo's Narita and Haneda airports, London's Heathrow airport and other international airports are regulated by local slot coordinators pursuant to the International Air Transport Association's Worldwide Scheduling Guidelines and applicable local law. We currently have sufficient slots or analogous authorizations to operate our existing flights, and we have generally been able to obtain the rights to expand our operations and to change our schedules. There is no assurance, however, that we will be able to do so in the future because, among other reasons, such allocations are subject to changes in governmental policies.

Environmental Matters

Emissions . The U.S. Environmental Protection Agency (the “EPA”) is authorized to regulate aircraft emissions and has historically implemented emissions control standards adopted by the International Civil Aviation Organization (“ICAO”). Our aircraft comply with existing EPA standards as applicable by engine design date. The ICAO has adopted two additional aircraft engine emissions standards, the first of which is applicable to engines certified after December 31, 2007, and the second of which is applicable to engines certified after December 31, 2013. In June 2012, the EPA published a final rulemaking for new emission standards for oxides of nitrogen (NOx), adopting ICAO's additional standards. Included in the rule are two new tiers of more stringent emission standards for NOx. These standards, referred to as the Tier 6 standards, become effective for newly-manufactured aircraft engines beginning in 2013.

Concern about aviation environmental issues, including climate change and greenhouse gases, has led to taxes on our operations in the United Kingdom and in Germany, both of which have levied taxes directly on our customers. We may face additional regulation of aircraft emissions in the U.S. and abroad and become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions. This could result in taxation or permitting requirements from multiple jurisdictions for the same operations. Ongoing bilateral discussions between the U.S. and other nations may lead to international treaties or other actions focusing on reducing greenhouse gas emissions from aviation. In addition, at the 38th ICAO Assembly that concluded October 4, 2013 in Montreal, the Assembly adopted a climate change resolution committing ICAO to develop a global market-based measure to be finalized at the 2016 ICAO Assembly which would enable the airline industry to achieve carbon-neutral growth from 2020.

The European Union has required its member states to implement regulations including aviation in its Emissions Trading Scheme (“ETS”). Under these regulations, any airline with flights originating or landing in the European Union is subject to the ETS and, beginning in 2012, was required to purchase emissions allowances if the airline exceeds the number of free allowances allocated to it under the ETS. The ETS has been amended to apply only to flights within the European Economic Area (“EEA”) from 2013 through 2016. As a result, we operate a limited number of flights that will be subject to the ETS through 2016. After 2016, the ETS would apply to all flights originating or landing in the European Union.

Cap and trade restrictions have also been proposed in the U.S. In addition, other legislative or regulatory action, including by the EPA, to regulate greenhouse gas emissions is possible. In particular, the EPA has found that greenhouse gases threaten the public health and welfare, which could result in regulation of greenhouse gas emissions from aircraft. In the event that legislation or regulation is enacted in the U.S. or in the event similar legislation or regulation is enacted in jurisdictions other than the European Union where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system. We are monitoring and evaluating the potential impact of such legislative and regulatory developments.

We seek to minimize the impact of greenhouse gas emissions from our operations through reductions in our fuel consumption and other efforts and have realized reductions in our greenhouse gas emission levels since 2005. We have reduced the fuel needs of our aircraft fleet through the retirement of older, less fuel efficient aircraft and replacement with newer, more fuel efficient aircraft. In addition, we have implemented fuel saving procedures in our flight and ground support operations that further reduce carbon emissions. We are also supporting efforts to develop alternative fuels and efforts to modernize the air traffic control system in the U.S., as part of our efforts to reduce our emissions and minimize our impact on the environment.

Noise . The Airport Noise and Capacity Act of 1990 recognizes the rights of operators of airports with noise problems to implement local noise abatement programs so long as such programs do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. This statute generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if locally-imposed regulations become more restrictive or widespread. In addition, foreign governments may allow airports to enact similar restrictions, which could adversely impact our international operations or require significant expenditure in order for our aircraft to comply with the restrictions.

Refinery Matters . Monroe's operation of the Trainer refinery is subject to numerous environmental laws and extensive regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas emissions.

Under the Energy Independence and Security Act of 2007, the EPA has adopted Renewable Fuel Standards (“RFS”) that mandate the blending of renewable fuels into gasoline and on-road diesel (“Transportation Fuels”). Renewable Identification Numbers (“RINs”) are assigned to renewable fuels produced or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels or by purchasing RINs in the open market or through a combination of blending and purchasing RINs. Because the refinery operated by Monroe does not blend renewable fuels, it must purchase its entire RINs requirement in the secondary market or obtain a waiver from the EPA.

Other Environmental Matters . We had been identified by the EPA as a potentially responsible party (“PRP”) with respect to certain Superfund Sites, and entered into consent decrees or settlements regarding some of these sites. Our alleged disposal volume at each of these sites was small or was considered *de minimis* when compared to the total contributions of all PRPs at each site.

We are aware of soil and/or ground water contamination present on our current or former leaseholds at several domestic airports. To address this contamination, we have a program in place to investigate and, if appropriate, remediate these sites. Although the ultimate outcome of these matters cannot be predicted with certainty, we believe that the resolution of these matters will not have a material adverse effect on our consolidated financial statements.

We are also subject to various other federal, state and local laws governing environmental matters, including the management and disposal of chemicals, waste and hazardous materials, protection of surface and subsurface waters and regulation of air emissions and aircraft drinking water.

Civil Reserve Air Fleet Program

We participate in the Civil Reserve Air Fleet program (the “CRAF Program”), which permits the U.S. military to use the aircraft and crew resources of participating U.S. airlines during airlift emergencies, national emergencies or times of war. We have agreed to make available under the CRAF Program a portion of our international aircraft during the contract period ending September 30, 2015. The CRAF Program has only been activated twice since it was created in 1951.

Employee Matters

Railway Labor Act

Our relations with labor unions representing our airline employees in the U.S. are governed by the Railway Labor Act. Under the Railway Labor Act, a labor union seeking to represent an unrepresented craft or class of employees is required to file with the National Mediation Board (the “NMB”) an application alleging a representation dispute, along with authorization cards signed by at least 50% of the employees in that craft or class. The NMB then investigates the dispute and, if it finds the labor union has obtained a sufficient number of authorization cards, conducts an election to determine whether to certify the labor union as the collective bargaining representative of that craft or class. A labor union will be certified as the representative of the employees in a craft or class if more than 50% of votes cast are for that union. A certified labor union would commence negotiations toward a collective bargaining agreement with the employer.

Under the Railway Labor Act, a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. Either party may request that the NMB appoint a federal mediator to participate in the negotiations for a new or amended agreement. If no agreement is reached in mediation, the NMB may determine, at any time, that an impasse exists and offer binding arbitration. If either party rejects binding arbitration, a 30-day “cooling off” period begins. At the end of this 30-day period, the parties may engage in “self help,” unless the U.S. President appoints a Presidential Emergency Board (“PEB”) to investigate and report on the dispute. The appointment of a PEB maintains the “status quo” for an additional 60 days. If the parties do not reach agreement during this period, the parties may then engage in self help. Self help includes, among other things, a strike by the union or the imposition of proposed changes to the collective bargaining agreement by the airline. Congress and the President have the authority to prevent self help by enacting legislation that, among other things, imposes a settlement on the parties.

Collective Bargaining

As of December 31, 2014, we had approximately 80,000 full-time equivalent employees, approximately 18% of whom were represented by unions. The following table shows our domestic airline employee groups that are represented by unions.

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	11,530	ALPA	December 31, 2015
Delta Flight Superintendents (Dispatchers)	380	PAFCA	March 31, 2018
Endeavor Air Pilots	1,300	ALPA	January 1, 2020
Endeavor Air Flight Attendants	1,000	AFA	December 31, 2018
Endeavor Air Dispatchers	60	DISTWU	December 31, 2018

In addition, 210 refinery employees of Monroe are represented by the United Steel Workers under an agreement that expires on February 28, 2015. This agreement is governed by the National Labor Relations Act (“NLRA”), which generally allows either party to engage in self help upon the expiration of the agreement. Formal negotiations toward a new or amended agreement have commenced.

Labor unions periodically engage in organizing efforts to represent various groups of our employees, including at our operating subsidiaries, that are not represented for collective bargaining purposes.

Executive Officers of the Registrant

Richard H. Anderson, Age 59 : Chief Executive Officer of Delta since September 1, 2007; Executive Vice President of UnitedHealth Group and President of its Commercial Services Group (December 2006 - August 2007); Executive Vice President of UnitedHealth Group (November 2004 - December 2006); Chief Executive Officer of Northwest Airlines Corporation (“Northwest”) (2001 - November 2004).

Edward H. Bastian, Age 57 : President of Delta since September 1, 2007; President of Delta and Chief Executive Officer Northwest Airlines, Inc. (October 2008 - December 2009); President and Chief Financial Officer of Delta (September 2007 -October 2008); Executive Vice President and Chief Financial Officer of Delta (July 2005 - September 2007); Chief Financial Officer, Acuity Brands (June 2005 - July 2005); Senior Vice President-Finance and Controller of Delta (2000 - April 2005); Vice President and Controller of Delta (1998 - 2000).

Glen W. Hauenstein, Age 54 : Executive Vice President - Chief Revenue Officer of Delta since August 2013; Executive Vice President-Network Planning and Revenue Management of Delta (April 2006 - July 2013); Executive Vice President and Chief of Network and Revenue Management of Delta (August 2005 - April 2006); Vice General Director-Chief Commercial Officer and Chief Operating Officer of Alitalia (2003 - 2005); Senior Vice President-Network of Continental Airlines (2003); Senior Vice President-Scheduling of Continental Airlines (2001 - 2003); Vice President Scheduling of Continental Airlines (1998 - 2001).

Richard B. Hirst, Age 70 : Executive Vice President - Chief Legal Officer of Delta since April 2013; Senior Vice President and General Counsel of Delta (October 2008 - April 2013); Senior Vice President-Corporate Affairs and General Counsel of Northwest (March 2008 - October 2008); Executive Vice President and Chief Legal Officer of KB Home (March 2004 -November 2006); Executive Vice President and General Counsel of Burger King Corporation (March 2001 - June 2003); General Counsel of the Minnesota Twins (1999 - 2000); Senior Vice President-Corporate Affairs of Northwest (1994 - 1999); Senior Vice President-General Counsel of Northwest (1990 - 1994); Vice President-General Counsel and Secretary of Continental Airlines (1986 - 1990).

Paul A. Jacobson, Age 43 . Executive Vice President - Chief Financial Officer of Delta since August 2013; Senior Vice President and Chief Financial Officer of Delta (March 2012 - July 2013); Senior Vice President and Treasurer for Delta (December 2007 - March 2012); Vice President and Treasurer (August 2005 - December 2007).

Joanne D. Smith, Age 56 . Executive Vice President and Chief Human Resources Officer of Delta since October 2014; Senior Vice President - In-Flight Service of Delta (March 2007 - September 2014); Vice President - Marketing of Delta (November 2005 - February 2007); President of Song (January 2005 - October 2005); Vice President - Marketing and Customer Service of Song (November 2002 - December 2004).

W. Gil West, Age 54. Executive Vice President and Chief Operating Officer of Delta since March 2014; Senior Vice President - Airport Customer Service and Technical Operations of Delta (February 2012 - February 2014); Senior Vice President - Airport Customer Service of Delta (March 2008 - January 2012); President and Chief Executive Officer of Laidlaw Transit Services (2006 - 2007).

Additional Information

We make available free of charge on our website our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after these reports are filed with or furnished to the Securities and Exchange Commission. Information on our website is not incorporated into this Form 10-K or our other securities filings and is not a part of those filings.

ITEM 1A. RISK FACTORS

Risk Factors Relating to Delta

Our business and results of operations are dependent on the price of aircraft fuel. High fuel costs or cost increases, including in the cost of crude oil, could have a material adverse effect on our operating results.

Our operating results are significantly impacted by changes in the price of aircraft fuel. Fuel prices have increased substantially since the middle part of the last decade and have been highly volatile during the last several years. In 2014, our average fuel price per gallon, including the impact of fuel hedges, was \$3.47, a 16% increase from our average fuel price in 2013. In 2013, our average fuel price per gallon was \$3.00, an 8% decrease from our average fuel price in 2012. In 2012, our average fuel price per gallon was \$3.25, a 6% increase from our average fuel price in 2011, which in turn was significantly higher than fuel prices just a few years earlier. Fuel costs represented 35%, 33% and 36% of our operating expense in 2014, 2013 and 2012, respectively.

Our ability to pass along the higher fuel costs to our customers may be affected by the competitive nature of the airline industry. Until recently, we often were not able to increase our fares to offset fully the effect of increases in fuel costs and we may not be able to do so in the future. This is particularly the case when fuel prices increase rapidly. Because passengers often purchase tickets well in advance of their travel, a significant rapid increase in fuel price may result in the fare charged not covering that increase.

We acquire a significant amount of jet fuel from our wholly-owned subsidiary, Monroe, and through strategic agreements that Monroe has with third parties. The cost of the fuel we purchase under these arrangements remains subject to volatility in the cost of crude oil and jet fuel. In addition, we continue to purchase a significant amount of aircraft fuel in addition to what we obtain from Monroe. Our aircraft fuel purchase contracts do not provide material protection against price increases as these contracts typically establish the price based on industry standard market price indices.

Significant extended disruptions in the supply of aircraft fuel, including from Monroe, could have a material adverse effect on our operations and operating results.

Weather-related events, natural disasters, political disruptions or wars involving oil-producing countries, changes in governmental policy concerning aircraft fuel production, transportation, taxes or marketing, environmental concerns and other unpredictable events may impact crude oil and fuel supply and could result in shortages in the future. Shortages in fuel supplies could have negative effects on our results of operations and financial condition.

Because we acquire a large amount of our jet fuel from Monroe, the disruption or interruption of production at the refinery could have an impact on our ability to acquire jet fuel needed for our operations. Disruptions or interruptions of production at the refinery could result from various sources including a major accident or mechanical failure, interruption of supply or delivery of crude oil, work stoppages relating to organized labor issues, or damage from severe weather or other natural or man-made disasters, including acts of terrorism. If the refinery were to experience an interruption in operations, disruptions in fuel supplies could have negative effects on our results of operations and financial condition. In addition, the financial benefits we expect to achieve from the operation of the refinery could be materially adversely affected (to the extent not recoverable through insurance) because of lost production and repair costs.

Under one of the strategic agreements that Monroe has with a significant counterparty, Monroe is exchanging non-jet fuel products for jet fuel for use in our airline operations. Monroe is required to deliver specified quantities of non-jet fuel products to the counterparty and the counterparty is required to deliver specified quantities of jet fuel to us. If either party does not have the specified quantity or type of product available, that party is required to procure any such shortage to fulfill its obligation under the agreement. If the refinery experiences a significant interruption in operations, Monroe may be required to expend substantial amounts to purchase the products it is required to deliver, which could have a material adverse effect on our consolidated financial results of operations.

In addition, the strategic agreements utilize market prices for the products being exchanged. If Monroe's cost of producing the non-jet fuel products that it is required to deliver under these agreements exceeds the value it receives for those products, the financial benefits we expect to achieve through the ownership of the refinery and our consolidated results of operations could be materially adversely affected.

Our fuel hedging activities are intended to manage the financial impact of the volatility in the price of jet fuel. The effects of rebalancing our hedge portfolio or mark-to-market adjustments may have a negative effect on our financial results.

We actively manage our fuel price risk through a hedging program intended to reduce the financial impact from changes in the price of jet fuel. We utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We rebalance the hedge portfolio from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates. In addition, we record mark-to-market adjustments ("MTM adjustments") on our fuel hedges. MTM adjustments are based on market prices at the end of the reporting period for contracts settling in future periods. Losses from rebalancing or MTM adjustments (or both) may have a negative impact on our financial results.

Our fuel hedge contracts contain margin funding requirements. The margin funding requirements may require us to post margin to counterparties or may cause counterparties to post margin to us as market prices in the underlying hedged items change. If fuel prices decrease significantly from the levels existing at the time we enter into fuel hedge contracts, we may be required to post a significant amount of margin, which could have a material impact on the level of our unrestricted cash and cash equivalents and short-term investments.

We are at risk of losses and adverse publicity stemming from a serious accident involving our aircraft.

An aircraft crash or other accident could expose us to significant liability. Although we believe that our insurance coverage is appropriate, we may be forced to bear substantial losses from an accident in the event that the coverage was not sufficient. In addition, any accident involving an aircraft that we operate or an aircraft that is operated by an airline that is one of our regional carriers or codeshare partners could create a negative public perception, which could harm our reputation, resulting in air travelers being reluctant to fly on our aircraft and therefore harm our business.

Agreements governing our debt, including credit agreements, include financial and other covenants that impose restrictions on our financial and business operations.

Our credit facilities have various financial and other covenants that require us to maintain, depending on the particular agreement, minimum fixed charge coverage ratios, minimum liquidity and/or minimum collateral coverage ratios. The value of the collateral that has been pledged in each facility may change over time due to required appraisals of collateral required by our credit agreements and indentures. These changes could result from factors that are not under our control. Although we are in compliance with covenant and collateral requirements, a decline in the value of collateral could result in a situation where we may not be able to maintain the collateral coverage ratio. In addition, the credit facilities contain other negative covenants customary for such financings. If we fail to comply with these covenants and are unable to remedy or obtain a waiver or amendment, an event of default would result. These covenants are subject to important exceptions and qualifications.

The credit facilities also contain other events of default customary for such financings. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable, and our cash may become restricted. We cannot provide assurance that we would have sufficient liquidity to repay or refinance the borrowings or notes under any of the credit facilities if such amounts were accelerated upon an event of default. In addition, an event of default or declaration of acceleration under any of the credit facilities could also result in an event of default under other of our financing agreements.

Employee strikes and other labor-related disruptions may adversely affect our operations.

Our business is labor intensive, utilizing large numbers of pilots, flight attendants, aircraft maintenance technicians, ground support personnel and other personnel. As of December 31, 2014, approximately 18% of our workforce, primarily pilots, was unionized. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. The Railway Labor Act generally prohibits strikes or other types of self help actions both before and after a collective bargaining agreement becomes amendable, unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted. Monroe's relations with unions representing its employees are governed by the NLRA, which generally allows self help after a collective bargaining agreement expires.

If we or our subsidiaries are unable to reach agreement with any of our unionized work groups on future negotiations regarding the terms of their collective bargaining agreements or if additional segments of our workforce become unionized, we may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act or the NLRA, as the case may be. Strikes or labor disputes with our unionized employees may adversely affect our ability to conduct business. Likewise, if third-party regional carriers with whom we have contract carrier agreements are unable to reach agreement with their unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements, those carriers may be subject to work interruptions or stoppages, subject to the requirements of the Railway Labor Act, which could have a negative impact on our operations.

Extended interruptions or disruptions in service at one of our hub or gateway airports could have a material adverse impact on our operations.

Our business is heavily dependent on our operations at the Atlanta airport and at our other hub or gateway airports in Amsterdam, Detroit, Los Angeles, Minneapolis-St. Paul, New York-LaGuardia, New York-JFK, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. Each of these operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub or gateway to other major cities and to other Delta hubs and gateways. A significant extended interruption or disruption in service at one of our hubs or gateways could have a material impact on our business, financial condition and results of operations.

Disruptions or security breaches of our information technology infrastructure could interfere with our operations, compromise passenger or employee information and expose us to liability, possibly causing our business and reputation to suffer.

A serious internal technology error or failure impacting systems hosted internally at our data centers or externally at third-party locations, or large scale external interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network. A significant individual, sustained or repeated failure of our network, including third-party networks we utilize and on which we depend, could impact our customer service and result in increased costs.

Our technology systems and related data may also be vulnerable to a variety of sources of interruption, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. While we have in place, and continue to invest in, technology security initiatives and disaster recovery plans, these measures may not be adequate or implemented properly to prevent a business disruption and its adverse financial and reputational consequences to our business.

In addition, as a part of our ordinary business operations, we collect and store sensitive data, including personal information of our passengers and employees and information of our business partners. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy.

Our information systems are subject to an increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to our systems or information through fraud or other means of deception. Hardware or software we develop or acquire may contain defects that could unexpectedly compromise information security. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving, and may be difficult to anticipate or to detect for long periods of time. We regularly review and update procedures and processes to prevent and protect against unauthorized access to our systems and information. However, the constantly changing nature of the threats means that we may not be able to prevent all data security breaches or misuse of data. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of, or access to, customers', employees' or business partners' information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business.

We are dependent on technology in our operations. If our technology does not perform reliably, our business may be adversely affected.

We have become increasingly dependent on technology initiatives to enhance customer service, reduce costs and increase operational effectiveness in order to compete in the current business environment. For example, we have made and continue to make significant investments in delta.com, mobile device applications, check-in kiosks and related initiatives, including security for these initiatives. The performance, reliability and security of the technology are critical to our ability to attract and retain customers and our ability to compete effectively. If our technology does not perform reliably, our business and operations could be negatively affected.

Our business is subject to the effects of weather, natural disasters and seasonality, which can cause our results to fluctuate.

Our results of operations are impacted by severe weather, natural disasters and seasonality. Severe weather conditions and natural disasters can significantly disrupt service and create air traffic control problems. These events decrease revenue and can also increase costs. In addition, increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons or other severe weather events, including from changes in the global climate, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which would increase the potential for greater loss of revenue and higher costs. In addition, demand for air travel is typically higher in the June and September quarters, particularly in international markets, because there is more vacation travel during these periods than during the remainder of the year. The seasonal shifting of demand causes our financial results to vary on a seasonal basis. Because of fluctuations in our results from weather, natural disasters and seasonality, operating results for a historical period are not necessarily indicative of operating results for a future period and operating results for an interim period are not necessarily indicative of operating results for an entire year.

An extended disruption in services provided by our third-party regional carriers could have a material adverse effect on our results of operations.

We utilize the services of third parties in a number of areas in support of our operations that are integral to our business, including third-party carriers in the Delta Connection program. While we have agreements with these providers that define expected service performance, we do not have direct control over their operations. In particular, third-party regional carriers may face a shortage of qualified pilots due to government mandated increases in flight experience required for pilots working for airlines. If this shortage occurs, third-party regional carriers may not be able to comply with their obligations to us. To the extent that a significant disruption in our regional operations occurs because any of these providers are unable to perform their obligations over an extended period of time, our revenue may be reduced or our expenses may be increased resulting in a material adverse effect on our results of operations.

The failure or inability of insurance to cover a significant liability related to an environmental or other incident associated with the operation of the Monroe refinery could have a material adverse effect on our consolidated financial results.

Monroe's refining operations are subject to various hazards unique to refinery operations, including explosions, fires, toxic emissions and natural catastrophes. Monroe could incur substantial losses, including cleanup costs, fines and other sanctions and third-party claims, and its operations could be interrupted, as a result of such an incident. Monroe's insurance coverage does not cover all potential losses, costs or liabilities and Monroe could suffer losses for uninsurable or uninsured risks or in amounts greater than its insurance coverage. In addition, Monroe's ability to obtain and maintain adequate insurance may be affected by conditions in the insurance market over which it has no control. If Monroe were to incur a significant liability for which it is not fully insured or for which insurance companies do not or are unable to provide coverage, this could have a material adverse effect on our consolidated financial results of operations or consolidated financial position.

The operation of the refinery by Monroe is subject to significant environmental regulation. Failure to comply with environmental regulations or the enactment of additional regulation could have a negative impact on our consolidated financial results.

Monroe's operations are subject to extensive environmental, health and safety laws and regulations, including those relating to the discharge of materials into the environment, waste management, pollution prevention measures and greenhouse gas emissions. Monroe could incur fines and other sanctions, cleanup costs and third-party claims as a result of violations of or liabilities under environmental, health and safety requirements, which if significant, could have a material adverse effect on our financial results. In addition, the enactment of new environmental laws and regulations, including any laws or regulations relating to greenhouse gas emissions, could significantly increase the level of expenditures required for Monroe or restrict its operations.

Under the Energy Independence and Security Act of 2007, the EPA has adopted RFS that mandate the blending of renewable fuels into Transportation Fuels. RINs are assigned to renewable fuels produced or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels or by purchasing RINs in the open market or through a combination of blending and purchasing RINs.

Because the refinery operated by Monroe does not blend renewable fuels, it must purchase its entire RINs requirement in the secondary market or obtain a waiver from the EPA. As a result, Monroe is exposed to the market price of RINs. Market prices for RINs have recently been volatile, increasing significantly during 2013 before returning to more moderate levels and then increasing again in late 2014. We cannot predict the future prices of RINs. Purchasing RINs at elevated prices could have a material impact on our results of operations and cash flows.

Existing laws or regulations could change and the minimum volumes of renewable fuels that must be blended with refined petroleum products may increase. Increases in the volume of renewable fuels that must be blended into Monroe's products could limit the refinery's production if sufficient numbers of RINs are not available for purchase or relief from this requirement is not obtained, which could have an adverse effect on our consolidated financial results.

If we lose senior management personnel and other key employees, our operating results could be adversely affected.

We are dependent on the experience and industry knowledge of our officers and other key employees to design and execute our business plans. If we experience a substantial turnover in our leadership and other key employees, and these persons are not replaced by individuals with equal or greater skills, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified executives as needed in the future.

Risk Factors Relating to the Airline Industry

The global airline industry is highly competitive and, if we cannot successfully compete in the marketplace, our business, financial condition and operating results will be materially adversely affected.

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), services, products, customer service and frequent flyer programs. Consolidation in the domestic airline industry, the rise of well-funded government sponsored international carriers, changes in international alliances and the creation of immunized joint ventures have altered and will continue to alter the competitive landscape in the industry by resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and competitive cost structures.

Our domestic operations are subject to competition from traditional network carriers, including American Airlines and United Airlines, national point-to-point carriers, including Alaska Airlines, JetBlue Airways and Southwest Airlines, and discount carriers, some of which may have lower costs than we do and provide service at low fares to destinations served by us. Point-to-point, discount and ultra low-cost carriers, including Spirit Airlines and Allegiant Air, place significant competitive pressure on network carriers in the domestic market. In particular, we face significant competition at our domestic hub and gateway airports either directly at those airports or at the hubs of other airlines that are located in close proximity to our hubs and gateways. We also face competition in smaller to medium-sized markets from regional jet operations of other carriers. Our ability to compete in the domestic market effectively depends, in part, on our ability to maintain a competitive cost structure. If we cannot maintain our costs at a competitive level, then our business, financial condition and operating results could be materially adversely affected.

Our international operations are subject to competition from both foreign and domestic carriers. Competition is increasing from well-funded carriers in the Gulf region, including Emirates, Etihad Airways and Qatar Airways. These carriers have large numbers of international widebody aircraft on order and are increasing service to the United States from their hubs in the Middle East. Several of these carriers, along with carriers from China, India and Latin America, are government supported or funded, which has allowed them to grow quickly, reinvest in their product and expand their global presence at the expense of U.S. airlines.

Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European and Asian gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships.

In addition, several joint ventures among U.S. and foreign carriers, including our transatlantic and transpacific joint ventures, have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. Other joint ventures that have received antitrust immunity include a transatlantic alliance among United Airlines, Air Canada and Lufthansa German Airlines, a transpacific joint venture between United Airlines and All Nippon Airways, a transatlantic joint venture among American Airlines, British Airways and Iberia and a transpacific joint venture between American Airlines and Japan Air Lines.

Increased competition in both the domestic and international markets may have a material adverse effect on our business, financial condition and operating results.

The airline industry is subject to extensive government regulation, and new regulations may increase our operating costs.

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures. We expect to continue incurring expenses to comply with the FAA's regulations.

Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations or reduce revenues. The industry is heavily taxed. For example, the Aviation and Transportation Security Act mandates the federalization of certain airport security procedures and imposes security requirements on airports and airlines, most of which are funded by a per ticket tax on passengers and a tax on airlines. The federal government adopted a significant increase in the per ticket tax effective in July 2014 and has proposed additional fees. Additional taxes and fees, if implemented, could negatively impact our results of operations.

Proposals to address congestion issues at certain airports or in certain airspace, particularly in the Northeast U.S., have included concepts such as “congestion-based” landing fees, “slot auctions” or other alternatives that could impose a significant cost on the airlines operating in those airports or airspace and impact the ability of those airlines to respond to competitive actions by other airlines. In addition, the failure of the federal government to upgrade the U.S. air traffic control system has resulted in delays and disruptions of air traffic during peak travel periods in certain congested markets. The failure to improve the air traffic control system could lead to increased delays and inefficiencies in flight operations as demand for U.S. air travel increases, having a material adverse effect on our operations. Failure to update the air traffic control system in a timely manner, and the substantial funding requirements of an updated system that may be imposed on air carriers, may have an adverse impact on our financial condition and results of operations.

Future regulatory action concerning climate change, aircraft emissions and noise emissions could have a significant effect on the airline industry. For example, the European Commission adopted an emissions trading scheme applicable to all flights operating in the European Union, including flights to and from the U.S. While enforcement of the scheme has been deferred until April 2017, if fully implemented, we expect that this system would impose additional costs on our operations in the European Union. Other laws or regulations such as this emissions trading scheme or other U.S. or foreign governmental actions may adversely affect our operations and financial results, either through direct costs in our operations or through increases in costs for jet fuel that could result from jet fuel suppliers passing on increased costs that they incur under such a system.

We and other U.S. carriers are subject to domestic and foreign laws regarding privacy of passenger and employee data that are not consistent in all countries in which we operate. In addition to the heightened level of concern regarding privacy of passenger data in the U.S., certain European government agencies are initiating inquiries into airline privacy practices. Compliance with these regulatory regimes is expected to result in additional operating costs and could impact our operations and any future expansion.

Prolonged periods of stagnant or weak economic conditions could have a material adverse effect on our business, financial condition and operating results.

As a result of the discretionary nature of air travel, the airline industry has been cyclical and particularly sensitive to changes in economic conditions. Because we operate globally, with almost 35% of our revenues from operations outside of the U.S., our business is subject to economic conditions throughout the world. During periods of unfavorable economic conditions in the global economy, demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business through videoconferencing. If unfavorable economic conditions occur, particularly for an extended period, our business, financial condition and results of operations may be adversely affected. In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse effect on our liquidity, financial conditions and results of operations.

Terrorist attacks, geopolitical conflict or security breaches may adversely affect our business, financial condition and operating results.

Potential terrorist attacks, geopolitical conflict or security breaches, or fear of such events, even if not made directly on or involving the airline industry, could negatively affect us and the airline industry. The potential negative effects include increased security, insurance costs, impacts from avoiding flight paths over areas in which conflict is occurring, reputational harm and other costs and lost revenue from increased ticket refunds and decreased ticket sales. If any or all of these events occur, they could have a material adverse effect on our business, financial condition and results of operations.

The rapid spread of contagious illnesses can have a material adverse effect on our business and results of operations.

The rapid spread of a contagious illness, or fear of such an event, can have a material adverse effect on the demand for worldwide air travel and therefore have a material adverse effect on our business and results of operations. Moreover, our operations could be negatively affected if employees are quarantined as the result of exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses in a part of the world in which we operate may have a materially adverse impact on our business and results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Flight Equipment

Our operating aircraft fleet, commitments and options at December 31, 2014 are summarized in the following table:

Aircraft Type	Current Fleet ⁽¹⁾				Average Age	Commitments		
	Owned	Capital Lease	Operating Lease	Total		Purchase ⁽²⁾	Lease	Options ⁽²⁾
B-717-200	—	6	46	52	12.9	—	36	—
B-737-700	10	—	—	10	5.7	—	—	—
B-737-800	73	—	—	73	13.7	—	—	—
B-737-900ER	21	—	10	31	0.6	69	—	30
B-747-400	5	8	—	13	22.4	—	—	—
B-757-200	90	16	18	124	19.8	—	—	—
B-757-300	16	—	—	16	11.6	—	—	—
B-767-300	11	3	2	16	23.7	—	—	—
B-767-300ER	51	5	2	58	18.5	—	—	1
B-767-400ER	21	—	—	21	13.6	—	—	2
B-777-200ER	8	—	—	8	14.7	—	—	—
B-777-200LR	10	—	—	10	5.5	—	—	3
B-787-8	—	—	—	—	—	18	—	—
A319-100	55	—	2	57	12.7	—	—	—
A320-200	51	—	18	69	19.6	—	—	—
A321-200	—	—	—	—	—	45	—	—
A330-200	11	—	—	11	9.5	—	—	—
A330-300	21	—	—	21	9.1	10	—	—
A330-900neo	—	—	—	—	—	25	—	—
A350-900	—	—	—	—	—	25	—	—
MD-88	76	41	—	117	24.2	—	—	—
MD-90	57	8	—	65	17.6	—	—	—
Total	587	87	98	772	16.9	192	36	36

⁽¹⁾ Excludes certain aircraft we own or lease, which are operated by regional carriers on our behalf shown in the table below.

⁽²⁾ Our purchase commitment for 18 B-787-8 aircraft and option agreements for B-767-300ER, B-767-400ER and B-777-200LR aircraft provide for certain aircraft substitution rights.

The following table summarizes the aircraft fleet operated by our regional carriers on our behalf at December 31, 2014 :

Carrier	Fleet Type						Total
	CRJ-200	CRJ-700	CRJ-900 ⁽³⁾	Embraer 145	Embraer 170	Embraer 175	
Endeavor Air, Inc. ⁽¹⁾	64	—	79	—	—	—	143
ExpressJet Airlines, Inc.	53	41	28	—	—	—	122
SkyWest Airlines, Inc.	48	19	32	—	—	—	99
Compass Airlines, Inc.	—	—	—	—	6	36	42
Chautauqua Airlines, Inc. ⁽²⁾	—	—	—	41	—	—	41
Shuttle America Corporation	—	—	—	—	14	16	30
GoJet Airlines, LLC	—	22	—	—	—	—	22
Total	165	82	139	41	20	52	499

⁽¹⁾ Endeavor Air, Inc. is a wholly-owned subsidiary of Delta.

⁽²⁾ As of January 1, 2015, Chautauqua Airlines, Inc. and all related aircraft were absorbed into the operations of Shuttle America Corporation.

⁽³⁾ In addition, we have purchase commitments for two CRJ-900 aircraft that will be operated by our regional carriers and options for an additional 30 CRJ-900 aircraft.

Aircraft Purchase Commitments

Our purchase commitments for additional aircraft at December 31, 2014 are detailed in the following table:

Aircraft Purchase Commitments	Delivery in Calendar Years Ending				
	2015	2016	2017	After 2017	Total
B-737-900ER	19	19	19	12	69
B-787-8	—	—	—	18	18
A321-200	—	15	15	15	45
A330-300	4	4	2	—	10
A330-900neo	—	—	—	25	25
A350-900	—	—	6	19	25
CRJ-900	2	—	—	—	2
Total	25	38	42	89	194

Aircraft Options

Our options to purchase additional aircraft at December 31, 2014 are detailed in the following table:

Aircraft Options	Delivery in Calendar Years Ending				
	2015	2016	2017	After 2017	Total
B-737-900ER	—	5	6	19	30
B-767-300ER	—	—	1	—	1
B-767-400ER	—	1	1	—	2
B-777-200LR	1	2	—	—	3
CRJ-900	4	24	2	—	30
Total	5	32	10	19	66

Ground Facilities

Airline Operations

We lease most of the land and buildings that we occupy. Our largest aircraft maintenance base, various computer, cargo, flight kitchen and training facilities and most of our principal offices are located at or near the Atlanta airport, on land leased from the City of Atlanta. We own our Atlanta reservations center, other real property in Atlanta, former Northwest headquarters and flight training buildings, which are located near the Minneapolis-St. Paul International Airport, and reservations centers in Minot, North Dakota and Chisholm, Minnesota. We also own a 1.3-acre property in downtown Tokyo and a 33-acre land parcel, 512-room hotel and flight kitchen located near Tokyo's Narita International Airport.

We lease ticket counter and other terminal space, operating areas and air cargo facilities in most of the airports that we serve. At most airports, we have entered into use agreements which provide for the non-exclusive use of runways, taxiways and other improvements and facilities; landing fees under these agreements normally are based on the number of landings and weight of aircraft. These leases and use agreements generally run for periods of less than one year to 30 years or more, and often contain provisions for periodic adjustments of lease rates, landing fees and other charges applicable under that type of agreement. We also lease aircraft maintenance and air cargo facilities at several airports. Our facility leases generally require us to pay the cost of providing, operating and maintaining such facilities, including, in some cases, amounts necessary to pay debt service on special facility bonds issued to finance their construction. We also lease marketing, ticketing and reservations offices in certain locations for varying terms.

Refinery Operations

Our wholly-owned subsidiaries, Monroe and MIPC, own and operate the Trainer refinery and related assets in Pennsylvania. The facility includes pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.

ITEM 3. LEGAL PROCEEDINGS

First Bag Fee Antitrust Litigation

In 2009, a number of purported class action antitrust lawsuits were filed against Delta and AirTran Airways (“AirTran”), alleging that Delta and AirTran engaged in collusive behavior in violation of Section 1 of the Sherman Act in November 2008 based upon certain public statements made in October 2008 by AirTran's CEO at an analyst conference concerning fees for the first checked bag, Delta's imposition of a fee for the first checked bag on November 4, 2008 and AirTran's imposition of a similar fee on November 12, 2008. The plaintiffs sought to assert claims on behalf of an alleged class consisting of passengers who paid the first bag fee after December 5, 2008 and seek injunctive relief and unspecified treble damages. All of these cases have been consolidated for pre-trial proceedings and remain pending in the Northern District of Georgia. A motion for class certification has been filed, but the Court has not yet ruled on it and no class has been certified to date. Delta believes the claims in these cases are without merit and is vigorously defending these lawsuits.

EU Regulation 261 Class Action Litigation

In February 2011, a putative class action was filed in the U.S. District Court for the Northern District of Illinois seeking to represent all U.S. residents who were passengers on flights during the period from February 2009 to the present who are allegedly entitled to compensation under EU Regulation 261 because their flight was cancelled or delayed by more than three hours. Plaintiffs allege that Delta has incorporated a duty to pay this compensation into its contract of carriage, and assert a claim for breach of contract as the basis for their cause of action. The complaint seeks recovery of the EU Regulation 261 compensation of €600 for each U.S. resident on a flight qualifying for such compensation. In October 2013, the District Court granted Delta's motion to dismiss all claims with prejudice. The plaintiffs have filed an appeal to the U.S. Court of Appeals for the Seventh Circuit, which remains pending. Delta disputes the allegations in the Complaint and intends to vigorously defend the matter.

For a discussion of certain environmental matters, see “Business-Regulatory Matters-Environmental Matters” in Item 1.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the New York Stock Exchange ("NYSE"). The following table sets forth for the periods indicated the highest and lowest sales price for our common stock as reported on the NYSE and dividends declared during these periods.

	Common Stock		Cash Dividends Declared (per share)
	High	Low	
Fiscal 2014			
Fourth Quarter	\$ 50.16	\$ 30.12	\$ 0.09
Third Quarter	\$ 40.97	\$ 34.59	\$ 0.09
Second Quarter	\$ 42.66	\$ 30.54	\$ 0.06
First Quarter	\$ 35.85	\$ 27.26	\$ 0.06
Fiscal 2013			
Fourth Quarter	\$ 29.44	\$ 23.63	\$ 0.06
Third Quarter	\$ 24.10	\$ 18.30	\$ 0.06
Second Quarter	\$ 19.43	\$ 13.94	—
First Quarter	\$ 17.25	\$ 11.97	—

Holders

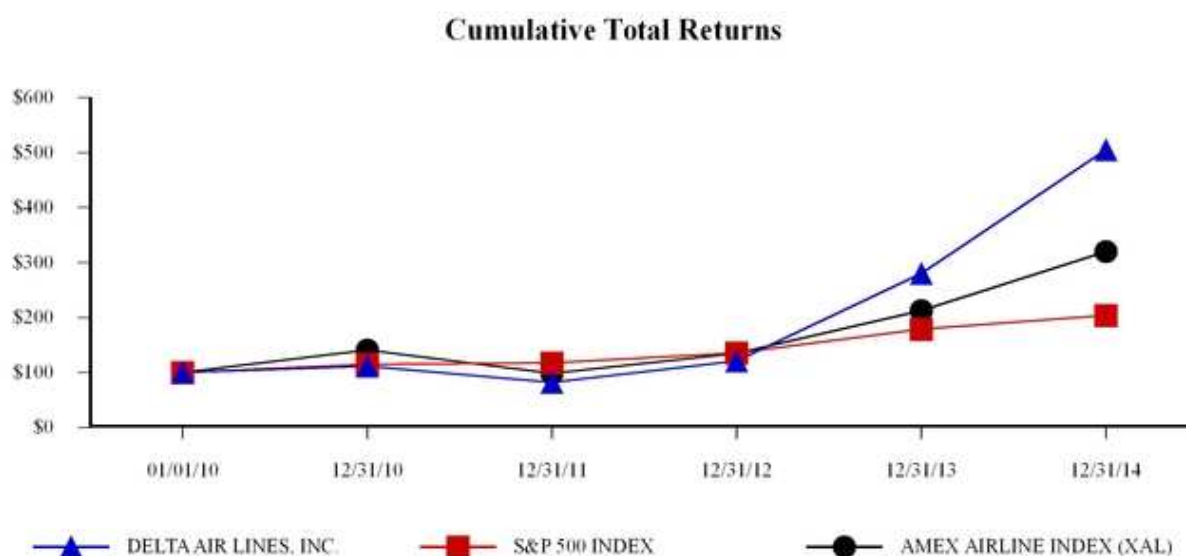
As of January 31, 2015, there were approximately 3,130 holders of record of our common stock.

Dividends

In the September 2013 quarter, our Board of Directors initiated a quarterly dividend program of \$0.06 per share. In the September 2014 quarter, the Board increased the quarterly dividend payment to \$0.09 per share. Our ability to pay future dividends is subject to compliance with covenants in several of our credit facilities. In addition, any future determination to pay cash dividends will be at the discretion of the Board of Directors, subject to applicable limitations under Delaware law, and will be dependent upon our results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Stock Performance Graph

The following graph compares the cumulative total returns during the period from January 1, 2010 to December 31, 2014 of our common stock to the Standard & Poor's 500 Stock Index and the Amex Airline Index. The comparison assumes \$100 was invested on January 1, 2010 in each of our common stock and the indices and assumes that all dividends were reinvested.



Issuer Purchases of Equity Securities

The following table presents information with respect to purchases of common stock we made during the December 2014 quarter. The total number of shares purchased includes shares repurchased pursuant to our \$2.0 billion share repurchase program, which was publicly announced on May 6, 2014 (the "2014 Repurchase Program"). The 2014 Repurchase Program will terminate no later than December 2016.

In addition, the table includes shares withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the "2007 Plan"). The 2007 Plan provides for the withholding of shares to satisfy tax obligations. It does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value (in millions) of Shares That May Yet Be Purchased Under the Plan or Programs
October 2014	4,001,416	\$ 37.29	4,001,416	\$ 1,501
November 2014	7,718,441	\$ 42.68	7,718,441	\$ 1,172
December 2014	508,707	\$ 44.23	508,707	\$ 1,150
Total	12,228,564		12,228,564	

ITEM 6. SELECTED FINANCIAL DATA

The following tables are derived from our audited consolidated financial statements, and present selected financial and operating data for the years ended December 31, 2014, 2013, 2012, 2011 and 2010.

Consolidated Summary of Operations

(in millions, except share data)	Year Ended December 31,				
	2014	2013	2012	2011	2010
Operating revenue	\$ 40,362	\$ 37,773	\$ 36,670	\$ 35,115	\$ 31,755
Operating expense	38,156	34,373	34,495	33,140	29,538
Operating income	2,206	3,400	2,175	1,975	2,217
Other expense, net	(1,134)	(873)	(1,150)	(1,206)	(1,609)
Income before income taxes	1,072	2,527	1,025	769	608
Income tax (provision) benefit	(413)	8,013	(16)	85	(15)
Net income	\$ 659	\$ 10,540	\$ 1,009	\$ 854	\$ 593
Basic earnings per share	\$ 0.79	\$ 12.41	\$ 1.20	\$ 1.02	\$ 0.71
Diluted earnings per share	\$ 0.78	\$ 12.29	\$ 1.19	\$ 1.01	\$ 0.70
Cash dividends declared per share	\$ 0.30	\$ 0.12	\$ —	\$ —	\$ —

The following special items are included in the results above:

(in millions)	Year Ended December 31,				
	2014	2013	2012	2011	2010
MTM adjustments	\$ 2,346	\$ (276)	\$ (27)	\$ 26	\$ —
Restructuring and other	716	424	452	242	227
Loss on extinguishment of debt	268	—	118	68	391
Virgin Atlantic MTM adjustments	134	—	—	—	—
Release of tax valuation allowance and intraperiod income tax allocation	—	(7,989)	—	—	—
Merger-related items	—	—	—	—	233
Total	\$ 3,464	\$ (7,841)	\$ 543	\$ 336	\$ 851

Consolidated Balance Sheet Data

(in millions)	December 31,				
	2014	2013	2012	2011	2010
Total assets	\$ 54,121	\$ 52,252	\$ 44,550	\$ 43,499	\$ 43,188
Long-term debt and capital leases (including current maturities)	\$ 9,777	\$ 11,342	\$ 12,709	\$ 13,791	\$ 15,252
Stockholders' equity (deficit)	\$ 8,813	\$ 11,643	\$ (2,131)	\$ (1,396)	\$ 897

Other Financial and Statistical Data (Unaudited)

Consolidated ⁽¹⁾	Year Ended December 31,				
	2014	2013	2012	2011	2010
Revenue passenger miles (millions)	202,925	194,988	192,974	192,767	193,169
Available seat miles (millions)	239,676	232,740	230,415	234,656	232,684
Passenger mile yield	17.22¢	16.89¢	16.46¢	15.70¢	14.11¢
Passenger revenue per available seat mile	14.58¢	14.15¢	13.78¢	12.89¢	11.71¢
Operating cost per available seat mile	15.92¢	14.77¢	14.97¢	14.12¢	12.69¢
Passenger load factor	84.7%	83.8%	83.8%	82.1%	83.0%
Fuel gallons consumed (millions)	3,893	3,828	3,769	3,856	3,823
Average price per fuel gallon ⁽²⁾	\$ 3.47	\$ 3.00	\$ 3.25	\$ 3.06	\$ 2.33
Average price per fuel gallon, adjusted ⁽³⁾	\$ 2.87	\$ 3.07	\$ 3.26	\$ 3.05	\$ 2.33
Full-time equivalent employees, end of period	79,655	77,755	73,561	78,392	79,684

⁽¹⁾ Includes the operations of our regional carriers under capacity purchase agreements. Full-time equivalent employees exclude employees of regional carriers that we do not own.

⁽²⁾ Includes the impact of fuel hedge activity.

⁽³⁾ Non-GAAP financial measure defined and reconciled in "Operating Expense" sections of Results of Operations - 2014 compared to 2013 and 2013 compared to 2012.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Highlights - 2014 Compared to 2013

Our pre-tax income for 2014 was \$ 1.1 billion , representing a \$ 1.5 billion decrease compared to prior year as a result of \$3.5 billion of special items. Excluding special items, pre-tax income increased \$1.9 billion, or 70%, to \$4.5 billion primarily driven by higher passenger revenue, lower fuel prices and flat non-fuel unit cost growth.

Revenue. Our passenger revenue increased \$ 2.0 billion , or 6%, compared to prior year due to a 2% increase in passenger mile yield on 4% higher traffic. Passenger revenue per available seat mile ("PRASM") increased 3% on 3% higher capacity. Our ability to maintain revenue momentum was driven by a strong domestic demand environment, higher corporate sales and merchandising initiatives.

Operating Expense. Total operating expense increased \$3.8 billion from 2013 driven by the special items noted above and discussed below. Our consolidated operating cost per available seat mile ("CASM") for 2014 increased 8% to 15.92 cent s from 14.77 cent s in 2013 , on a 3% increase in capacity. Non-fuel unit costs ("CASM-Ex," a non-GAAP financial measure) increased 0.2% to 9.16 cent s in 2014 compared to 2013 .

The increase in total operating expense is primarily due to special items recorded during the year, including \$2.3 billion related to unfavorable MTM adjustments on fuel hedges and \$716 million of restructuring and other, primarily associated with our fleet restructuring initiatives. The MTM adjustments are based on market prices at the end of the reporting period for contracts settling in future periods and were driven by the significant decrease in crude oil prices during the year (from a high of \$115 per barrel in June to a low of \$57 per barrel at December 31, 2014). Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. The fleet restructuring initiatives relate to (1) the early retirement of B-747-400 aircraft associated with our ongoing optimization of the Pacific network and (2) the restructuring of our domestic fleet by replacing a significant portion of our 50-seat regional flying with more efficient and customer preferred CRJ-900 and B-717-200 aircraft and replacing older, less cost effective B-757-200 aircraft with B-737-900ER aircraft.

The increase in our total operating expense also reflects higher profit sharing, higher salaries and related costs and volume-based cost increases driven by the increase in capacity. These increases were partially offset by a reduction in regional carrier expense, primarily related to lower fuel costs. Salaries and related costs are higher primarily due to employee investments.

The non-GAAP financial measures for pre-tax income, adjusted for special items, and CASM-Ex used in this section are defined and reconciled in "Supplemental Information" below.

Company Initiatives

Network Strategy

We are implementing several strategies that are designed to strengthen and expand our global network and presence. These primarily include our investment in and joint venture with Virgin Atlantic and efforts to optimize the Pacific network. In support of these strategies, in the December 2014 quarter, we announced our order for 50 new widebody aircraft for delivery beginning in 2017 consisting of 25 A330-900neo aircraft, which will mainly be deployed across the Atlantic, and 25 A350-900 aircraft, which will primarily serve the Pacific region.

Virgin Atlantic Investment. We own a non-controlling 49% equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways . We also have a transatlantic joint venture with Virgin Atlantic Airways with respect to operations on non-stop routes between the United Kingdom and North America, for which we have antitrust immunity. The relationship allows for joint marketing and sales, coordinated pricing and revenue management, network planning and scheduling. Virgin Atlantic has a significant presence at London's Heathrow airport, the airport of choice for business customers traveling to and from London. Along with our state of the art facility at JFK, our relationship with Virgin Atlantic has provided our customers with superior service and connectivity between New York and London. We expect our joint venture with Virgin Atlantic to increase capacity between the U.S. and United Kingdom by approximately 10% to 39 peak daily round trips in 2015. This reflects a substantial increase from the minimal presence we had to the United Kingdom five years ago.

Pacific Strategy . As part of the Pacific strategy, we are realigning our Pacific fleet by removing less efficient B-747-400 aircraft and replacing them with smaller gauge widebody aircraft we are redeploying from the transatlantic. The smaller gauge aircraft will help better match capacity with demand in the Pacific and are expected to improve margin. Additionally, as noted above, we will be taking delivery of A350-900 aircraft beginning in 2017, which, when coupled with deliveries of A330-300 aircraft that we will receive over the next several years, will result in a 15-20% reduction in seats per departure and generate a significant improvement in operating cost per seat.

We have also made a significant investment in developing Seattle as a hub and international gateway, which will provide for convenient access to and from the Pacific. We expect to leverage our domestic network to feed traffic into Seattle and increase peak daily departures to 120 in 2015. As a result, Seattle will allow us to offer one-stop service to 95% of our West Coast to Asia traffic flows.

Maintaining Cost Performance

As part of our ongoing efforts to maintain cost performance, we continue to be focused on keeping the rate of CASM-Ex growth at less than 2% annually. Fleet restructuring is an important component of our cost initiatives and is focused on lowering unit costs while enhancing the customer experience. We are restructuring our domestic fleet by replacing a significant portion of our 50-seat regional flying with more efficient and customer preferred CRJ-900 and B-717-200 aircraft and replacing older, less cost effective B-757-200 aircraft with B-737-900ER aircraft. During the year ended December 31, 2014, we took delivery of 26 CRJ-900, 39 B-717-200 and 19 B-737-900ER aircraft. We are retiring a significant portion of the 50-seat regional fleet that we lease as part of the fleet restructuring activities. We expect to continue to recognize restructuring charges, representing the remaining obligations under the leases, as we retire the leased aircraft. Although many factors could change over the period of the 50-seat fleet restructuring, we currently estimate that future charges will be between \$50 million to \$150 million. As a result of restructuring the fleet, we expect to benefit from improved operational and fuel efficiency, customer service and reduced future maintenance cost that we will experience over the life of the new aircraft.

SkyMiles Program

During the March 2014 quarter, we announced changes to the SkyMiles program. Effective January 1, 2015, the SkyMiles program was modified from a model in which customers earn redeemable mileage credits based on distance traveled to a model based on ticket price. Customers earn between five and 11 miles per dollar spent based on their SkyMiles status, and will continue to earn up to an additional two miles per dollar when using their Delta SkyMiles Credit Card, for a total of up to 13 miles per dollar. The modified program will better reward customers who spend more with Delta and give them improved mileage-earning opportunities. The SkyMiles program includes a new award redemption structure that improves award seat availability at the lowest point redemption levels, offers one-way awards at half the price of round-trip, provides new miles plus cash award options, as well as makes significant improvements to delta.com and Delta reservations award shopping tools.

Results of Operations - 2014 Compared to 2013

Operating Revenue

(in millions)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)
	2014	2013		
Passenger:				
Mainline	\$ 28,688	\$ 26,534	\$ 2,154	8 %
Regional carriers	6,266	6,408	(142)	(2)%
Total passenger revenue	34,954	32,942	2,012	6 %
Cargo	934	937	(3)	— %
Other	4,474	3,894	580	15 %
Total operating revenue	\$ 40,362	\$ 37,773	\$ 2,589	7 %

Passenger Revenue

(in millions)	Year Ended December 31, 2014	Increase (Decrease) vs. Year Ended December 31, 2013					
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	\$ 17,017	12 %	7 %	4 %	5 %	8 %	2.0 pts
Atlantic	5,826	3 %	— %	1 %	3 %	2 %	(0.8) pts
Pacific	3,421	(4)%	(1)%	— %	(3)%	(4)%	(0.9) pts
Latin America	2,424	15 %	17 %	18 %	(2)%	(2)%	(0.7) pts
Total mainline	28,688	8 %	5 %	4 %	3 %	4 %	0.7 pts
Regional carriers	6,266	(2)%	(2)%	(4)%	(1)%	2 %	1.9 pts
Total consolidated	\$ 34,954	6 %	4 %	3 %	2 %	3 %	0.9 pts

Passenger revenue increased \$2.0 billion , or 6% , over prior year. PRASM increased 3% and passenger mile yield increased 2% on 3% higher capacity. Load factor was 0.9 points higher than prior year at 84.7% .

Our geographic regions generally performed well compared to the prior year, with the domestic region leading year-over-year unit revenue improvement. Unit revenues of the domestic region rose 8% led by strong performances from our hubs in Atlanta, New York-LaGuardia and Seattle.

Revenues related to our international regions increased 3% year-over-year primarily due to 18% capacity growth in the Latin America region as a result of our efforts to improve connections with GOL and Aeroméxico. GOL and Aeroméxico contributed a significant portion of the traffic from the U.S. to Brazil and into key Mexico markets, respectively. Despite these contributions, Latin America unit revenues declined 2% as a result of the capacity increase, some business demand weakness associated with the FIFA World Cup in Brazil and economic concerns in Venezuela. Atlantic unit revenue increased 2% driven by yield improvements. While our joint venture with Virgin Atlantic reflected solid revenue growth, especially in London-Heathrow, Atlantic yields experienced pressure from the impact of geopolitical and health concerns related to service to Africa, the Middle East, and Russia. Our Pacific region experienced a 4% decline in unit revenues driven by lower yield, primarily due to the weakening of the Japanese yen.

Other Revenue. Other revenue increased \$ 580 million , or 15% , primarily due to an increase in sales of SkyMiles, settlements associated with our transatlantic joint venture agreements and sales of non-jet fuel products to third parties by our oil refinery.

Operating Expense

(in millions)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)
	2014	2013		
Aircraft fuel and related taxes	\$ 11,668	\$ 9,397	\$ 2,271	24 %
Salaries and related costs	8,120	7,720	400	5 %
Regional carrier expense	5,237	5,669	(432)	(8)%
Aircraft maintenance materials and outside repairs	1,828	1,852	(24)	(1)%
Depreciation and amortization	1,771	1,658	113	7 %
Contracted services	1,749	1,665	84	5 %
Passenger commissions and other selling expenses	1,700	1,603	97	6 %
Landing fees and other rents	1,442	1,410	32	2 %
Profit sharing	1,085	506	579	114 %
Passenger service	810	762	48	6 %
Aircraft rent	233	209	24	11 %
Restructuring and other items	716	402	314	NM ⁽¹⁾
Other	1,797	1,520	277	18 %
Total operating expense	\$ 38,156	\$ 34,373	\$ 3,783	11 %

⁽¹⁾ Due to the nature of amounts recorded within restructuring and other items, a year-over-year comparison is not meaningful. For a discussion of charges recorded in restructuring and other items, see Note 17 of the Notes to the Consolidated Financial Statements.

Fuel Expense. Compared to the prior year, consolidated fuel expense increased \$2.0 billion due to unfavorable MTM adjustments on fuel hedges resulting from the significant decrease in crude oil prices during the year (from a high of \$115 per barrel in June to a low of \$57 per barrel at December 31, 2014) and a 2% increase in consumption, partially offset by an 8% decrease in fuel market price per gallon and increased profitability at Monroe. The table below presents fuel expense, gallons consumed and average price per gallon, including the impact of hedging and the refinery:

(in millions, except per gallon data)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)
	2014	2013		
Aircraft fuel and related taxes ⁽¹⁾	\$ 11,668	\$ 9,397	\$ 2,271	
Aircraft fuel and related taxes included within regional carrier expense	1,844	2,067	(223)	
Total fuel expense	\$ 13,512	\$ 11,464	\$ 2,048	18%

Total fuel consumption (gallons)	3,893	3,828	65	2%
Average price per gallon	\$ 3.47	\$ 3.00	\$ 0.47	16%

⁽¹⁾ Includes the impact of fuel hedging and refinery results described further in the table below.

The table below shows the impact of hedging and the refinery on fuel expense and average price per gallon, adjusted:

(in millions, except per gallon data)	Year Ended December 31,			Average Price Per Gallon		
	Year Ended December 31,		Increase (Decrease)	Year Ended December 31,		Increase (Decrease)
	2014	2013		2014	2013	
Fuel purchase cost	\$ 11,350	\$ 11,792	\$ (442)	\$ 2.91	\$ 3.09	\$ (0.18)
Airline segment fuel hedge losses (gains) ⁽¹⁾	2,258	(444)	2,702	0.58	(0.12)	0.70
Refinery segment impact ⁽¹⁾	(96)	116	(212)	(0.02)	0.03	(0.05)
Total fuel expense	\$ 13,512	\$ 11,464	\$ 2,048	\$ 3.47	\$ 3.00	\$ 0.47
MTM adjustments	(2,346)	276	(2,622)	(0.60)	0.07	(0.67)
Total fuel expense, adjusted	\$ 11,166	\$ 11,740	\$ (574)	\$ 2.87	\$ 3.07	\$ (0.20)

⁽¹⁾ Includes the impact of pricing arrangements between the airline and refinery segments with respect to the refinery's inventory price risk.

Fuel Purchase Cost. Fuel purchase cost is based on the market price for jet fuel at airport locations.

Airline Segment Fuel Hedge Impact and MTM Adjustments. During the year ended December 31, 2014, our airline segment fuel hedge loss of \$2.3 billion resulted from unfavorable MTM adjustments. These MTM adjustments are based on market prices as of the end of the reporting period for contracts settling in future periods. Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. The MTM adjustments are reflected in the table above to calculate an effective fuel cost for the period.

Refinery Segment Impact. The refinery results include the impact on fuel expense of self-supply from the production of the refinery and from refined products exchanged with certain counterparties. To the extent that we account for exchanges of refined products as nonmonetary transactions, we include the results of those transactions within fuel expense. For additional information regarding the refinery segment impact, see "Refinery Segment" below.

We adjust fuel expense for the items noted above to arrive at a more meaningful measure of fuel cost. Our average price per gallon, adjusted (a non-GAAP financial measure) was \$2.87 for the year ended December 31, 2014.

Salaries and Related Costs. The increase in salaries and related costs is primarily due to investments in our employees and an increase in pilot and flight attendant block hours, partially offset by lower pension expense. In 2014, we contributed \$917 million to our defined benefit pension plans, including \$250 million above the minimum funding requirements.

Regional Carrier Expense. The reduction in regional carrier expense is primarily due to lower fuel expense from both a decrease in the cost of fuel per gallon and a 4% decrease in capacity and fewer required maintenance events. During 2014, we removed thirty-five 50-seat regional aircraft from our fleet as part of our strategy to restructure our domestic fleet.

Aircraft Maintenance Materials and Outside Repairs. Aircraft maintenance materials and outside repairs consists of costs associated with maintenance of aircraft used in our operations and costs associated with maintenance sales to third parties by our MRO services business. The reduction in aircraft maintenance materials and outside repairs is due primarily to lower engine maintenance volume and a contract settlement charge in 2013, partially offset by a higher volume of cost of sales from our MRO business.

Depreciation and Amortization. Depreciation and amortization expense increased year-over-year primarily due to investments in new B-737-900ER and CRJ-900 aircraft, the purchase of aircraft off-lease and aircraft modifications that upgraded aircraft interiors and enhanced our product offering.

Contracted Services. Contracted services expense increased year-over-year due primarily to costs associated with the 3% increase in capacity.

Passenger Commissions and Other Selling Expenses. Passenger commissions and other selling expenses increased on higher passenger revenue.

Profit Sharing. The increase in profit sharing is driven by an increase in full year pre-tax income, excluding profit sharing and special items, compared to the prior year. Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit excluding profit sharing and special items, such as MTM adjustments and restructuring and other items. Our profit sharing program pays 10% to employees for the first \$2.5 billion of annual profit and 20% of annual profit above \$2.5 billion.

Aircraft Rent. Aircraft rent increased year-over-year due primarily to the addition of leased B-717-200 and B-737-900ER aircraft delivered during the year, partially offset by the retirement of certain B-747-400 aircraft.

Other. Other operating expense increased primarily due to costs associated with sales of non-jet fuel products to third parties by our oil refinery.

Results of Operations - 2013 Compared to 2012

Operating Revenue

(in millions)	Year Ended December 31,		Increase	% Increase
	2013	2012		
Passenger:				
Mainline	\$ 26,534	\$ 25,173	\$ 1,361	5 %
Regional carriers	6,408	6,581	(173)	(3)%
Total passenger revenue	32,942	31,754	1,188	4 %
Cargo	937	990	(53)	(5)%
Other	3,894	3,926	(32)	(1)%
Total operating revenue	\$ 37,773	\$ 36,670	\$ 1,103	3 %

Passenger Revenue

(in millions)	Year Ended December 31, 2013	Increase (Decrease) vs. Year Ended December 31, 2012					
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	\$ 15,204	8 %	1 %	2 %	6 %	5 %	(0.8) pts
Atlantic	5,657	3 %	1 %	(1)%	2 %	3 %	1.2 pts
Pacific	3,561	(2)%	1 %	(1)%	(2)%	(1)%	1.3 pts
Latin America	2,112	11 %	11 %	8 %	(1)%	2 %	2.3 pts
Total mainline	26,534	5 %	2 %	2 %	3 %	4 %	0.3 pts
Regional carriers	6,408	(3)%	(6)%	(3)%	3 %	1 %	(1.8) pts
Total consolidated	\$ 32,942	4 %	1 %	1 %	3 %	3 %	— pts

Passenger revenue increased \$1.2 billion , or 4% , on a 3% PRASM increase and a 3% increase in passenger mile yield. Revenue remained strong despite lower fuel prices. In addition, the increase in passenger revenue reflects in-flight product enhancements such as the Economy Comfort product and higher corporate sales.

Our geographic regions performed well compared to the prior year, with the domestic region leading year-over-year unit revenue improvement as a result of higher passenger mile yield. Unit revenues of the domestic region rose by over 5% with notable improvements in the New York market. New York unit revenues increased as we continue to see improvements due to our investments in JFK and LaGuardia, as well as many in-flight product enhancements. Revenues related to our international regions increased 3% year-over-year, with slight unit revenue improvements in both Atlantic and Latin America regions. Our Pacific region experienced a slight decline in unit revenues primarily due to the Japanese yen devaluation.

Operating Expense

(in millions)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)
	2013	2012		
Aircraft fuel and related taxes	\$ 9,397	\$ 10,150	\$ (753)	(7)%
Salaries and related costs	7,720	7,266	454	6 %
Regional carrier expense	5,669	5,647	22	— %
Aircraft maintenance materials and outside repairs	1,852	1,955	(103)	(5)%
Depreciation and amortization	1,658	1,565	93	6 %
Contracted services	1,665	1,566	99	6 %
Passenger commissions and other selling expenses	1,603	1,590	13	1 %
Landing fees and other rents	1,410	1,336	74	6 %
Profit sharing	506	372	134	36 %
Passenger service	762	732	30	4 %
Aircraft rent	209	272	(63)	(23)%
Restructuring and other items	402	452	(50)	NM ⁽¹⁾
Other	1,520	1,592	(72)	(5)%
Total operating expense	\$ 34,373	\$ 34,495	\$ (122)	— %

⁽¹⁾ Due to the nature of amounts recorded within restructuring and other items, a year-over-year comparison is not meaningful. For a discussion of charges recorded in restructuring and other items, see Note 17 of the Notes to the Consolidated Financial Statements.

Fuel Expense. Including regional carriers, fuel expense decreased \$787 million due to a 4% decrease in fuel market price per gallon and fuel hedge gains, partially offset by a 2% increase in consumption. The table below presents fuel expense, gallons consumed and our average price per gallon, including the impact of hedging and the refinery:

(in millions, except per gallon data)	Year Ended December 31,		Increase (Decrease)	% Increase (Decrease)
	2013	2012		
Aircraft fuel and related taxes ⁽¹⁾	\$ 9,397	\$ 10,150	\$ (753)	
Aircraft fuel and related taxes included within regional carrier expense	2,067	2,101	(34)	
Total fuel expense	\$ 11,464	\$ 12,251	\$ (787)	(6)%

Total fuel consumption (gallons)	3,828	3,769	59	2 %
Average price per gallon	\$ 3.00	\$ 3.25	\$ (0.25)	(8)%

⁽¹⁾ Includes the impact of fuel hedging and refinery results described further in the table below.

The table below shows the impact of hedging and the refinery on fuel expense and average price per gallon, adjusted:

(in millions, except per gallon data)	Year Ended December 31,			Average Price Per Gallon		
	Year Ended December 31,		Increase (Decrease)	Year Ended December 31,		Increase (Decrease)
	2013	2012		2013	2012	
Fuel purchase cost	\$ 11,792	\$ 12,122	\$ (330)	\$ 3.09	\$ 3.23	\$ (0.14)
Airline segment fuel hedge (gains) losses ⁽¹⁾	(444)	66	(510)	(0.12)	0.01	(0.13)
Refinery segment impact ⁽¹⁾	116	63	53	0.03	0.01	0.02
Total fuel expense	\$ 11,464	\$ 12,251	\$ (787)	\$ 3.00	\$ 3.25	\$ (0.25)
MTM adjustments	276	27	249	0.07	0.01	0.06
Total fuel expense, adjusted	\$ 11,740	\$ 12,278	\$ (538)	\$ 3.07	\$ 3.26	\$ (0.19)

⁽¹⁾ Includes the impact of pricing arrangements between the airline and refinery segments with respect to the refinery's inventory price risk.

Fuel Purchase Cost. Fuel purchase cost is based on the market price for jet fuel at airport locations.

Airline Segment Fuel Hedge Impact and MTM Adjustments. During the year ended December 31, 2013, our airline segment fuel hedge gains of \$444 million included \$276 million of favorable MTM adjustments. These MTM adjustments are based on market prices as of the end of the reporting period for contracts settling in future periods. Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. The MTM adjustments are reflected in the table above to calculate an effective fuel cost for the period.

Refinery Segment Impact. The refinery results include the impact on fuel expense of self-supply from the production of the refinery and from refined products exchanged with certain counterparties. To the extent that we account for exchanges of refined products as nonmonetary transactions, we include the results of those transactions within fuel expense. For additional information regarding the refinery segment impact, see "Refinery Segment" below.

We adjust fuel expense for these items to arrive at a more meaningful measure of fuel cost. Our average price per gallon, adjusted (a non-GAAP financial measure) was \$3.07 for the year ended December 31, 2013.

Salaries and Related Costs . The increase in salaries and related costs is primarily due to investments in our employees. During the June 2012 quarter, we reached an agreement with the Air Line Pilots Association ("ALPA") that increased pay and benefits for our pilots. Our pilots and substantially all other employees received base pay increases on July 1, 2012 and received additional increases on January 1, 2013. These increases are designed both to recognize changes to the profit sharing program described below and to accelerate the planned 2013 pay increase for non-pilot employees.

Aircraft Maintenance Materials and Outside Repairs. Aircraft maintenance materials and outside repairs consists of costs associated with maintenance of aircraft used in our operations and costs associated with maintenance sales to third parties by our MRO services business. The reduction in aircraft maintenance materials and outside repairs is primarily due to a lower volume of sales to third parties of our MRO services and the timing of maintenance events on our fleet.

Depreciation and Amortization. Depreciation and amortization expense increased year-over-year primarily due to our investment in new B-737-900ER and CRJ-900 aircraft, the purchase of aircraft off-lease, and aircraft modifications that upgraded aircraft interiors and enhanced our product offering.

Contracted Services. Contracted services expense increased year-over-year due primarily to the impact of severe winter storms on our operations and costs associated with the 1% increase in capacity.

Landing Fees and Other Rents. Landing fees and other rents increased year-over-year primarily due to our investment in airport facilities.

Profit Sharing. Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit excluding profit sharing and special items, such as MTM adjustments and restructuring and other items, from pre-tax profit. During the June 2012 quarter, our profit sharing program was modified so that we pay 10% of profits on the first \$2.5 billion of annual profits effective with the plan year beginning January 1, 2013 compared to paying 15% of annual profit for the 2012 plan year. Under the program, we will continue to pay 20% of annual profit above \$2.5 billion.

Aircraft Rent. Aircraft rent decreased year-over-year due primarily due to the purchase of various aircraft off-lease.

Non-Operating Results

(in millions)	Year Ended December 31,			Favorable (Unfavorable)	
	2014	2013	2012	2014 vs. 2013	2013 vs. 2012
Interest expense, net	\$ (650)	\$ (852)	\$ (1,005)	\$ 202	\$ 153
Loss on extinguishment of debt	(268)	—	(118)	(268)	118
Miscellaneous, net	(216)	(21)	(27)	(195)	6
Total other expense, net	\$ (1,134)	\$ (873)	\$ (1,150)	\$ (261)	\$ 277

The decline in interest expense, net is driven by reduced levels of debt and the refinancing of debt obligations at lower interest rates. Our principal amount of debt and capital leases has declined from \$14.4 billion at the beginning of 2012 to \$9.9 billion at December 31, 2014 .

In each of 2014 and 2012, we extinguished \$1.6 billion of existing debt under our secured financing arrangements prior to scheduled maturity. In connection with the extinguishment, we recorded losses of \$268 million and \$118 million , respectively, for the difference between the principal paid and the carrying value of the debt, which included unamortized discounts or premiums and unamortized issuance costs. The unamortized debt discounts resulted from fair value adjustments recorded in the 2008 purchase accounting of Northwest Airlines. The losses also included premiums paid to retire the debt.

Miscellaneous, net is unfavorable primarily due to our proportionate share of losses from our equity investment in Virgin Atlantic, foreign currency exchange rate losses and a charge associated with the devaluation of the Venezuelan bolivar. The loss from Virgin Atlantic primarily results from unfavorable MTM adjustments on fuel hedges.

Income Taxes

We consider all income sources, including other comprehensive income, in determining the amount of tax (provision) benefit allocated to continuing operations. The following table shows the components of our income tax (provision) benefit:

(in millions)	Year Ended December 31,		
	2014	2013	2012
Current tax (provision) benefit:			
Federal	\$ 21	\$ 24	\$ —
State and local	(9)	(3)	15
International	(11)	1	(14)
Deferred tax (provision) benefit:			
Federal	(424)	7,197	(4)
State and local	10	794	(13)
Income tax (provision) benefit	\$ (413)	\$ 8,013	\$ (16)

We released substantially all of our valuation allowance against our net deferred tax assets on December 31, 2013. The release of the allowance primarily resulted in a net tax benefit of \$8.0 billion that was recorded in income tax (provision) benefit in our Consolidated Statement of Operations. Our annual effective tax rate for 2014 was 38.5% . At December 31, 2014 , we had over \$12.0 billion of U.S. federal pre-tax net operating loss carryforwards, which do not begin to expire until 2024 . Accordingly, we believe we will not pay any cash federal income taxes during the next few years. See Note 13 of the Notes to the Consolidated Financial Statements for more information.

During 2012, we did not record an income tax provision for U.S. federal income tax purposes since our deferred tax assets were fully reserved by a valuation allowance.

Refinery Segment

The refinery primarily produces gasoline, diesel and jet fuel. Under multi-year agreements, Monroe exchanges the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. The jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery provided approximately 150,000 barrels (approximately six million gallons) per day for use in airline operations during 2014 .

A refinery is subject to EPA requirements that are established each year to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase renewable energy credits, called RINs, from third parties in the secondary market. Because the refinery operated by Monroe does not blend renewable fuels, it must purchase its entire RINs requirement in the secondary market or obtain a waiver from the EPA. We recognized \$111 million and \$64 million of expense related to the RINs requirement in 2014 and 2013, respectively, including accruals for our unsettled 2013 and 2014 RINs obligation as of December 31, 2014. We are in possession of the RINs needed to satisfy our 2013 obligation.

The refinery recorded a profit of \$ 96 million in 2014 , compared to losses of \$ 116 million and \$ 63 million recorded in 2013 and 2012, respectively. We believe that the increase in jet fuel supply due to the refinery's operation has reduced the overall market price of jet fuel, and thus lowered our cost of jet fuel.

Financial Condition and Liquidity

We expect to meet our cash needs for the next 12 months from cash flows from operations, cash and cash equivalents, short-term investments and financing arrangements. As of December 31, 2014 , we had \$5.2 billion in unrestricted liquidity, consisting of \$3.3 billion in cash and cash equivalents and short-term investments and \$1.9 billion in undrawn revolving credit facilities. During 2014 , we generated \$4.9 billion in cash from operating activities, which we used, along with existing cash, to reduce the principal on our debt and capital lease obligations by \$1.9 billion, fund capital expenditures of \$2.2 billion and return \$1.4 billion to shareholders, while maintaining a solid liquidity position.

Sources of Liquidity

Operating Activities

Cash flows from operating activities continue to provide our primary source of liquidity. We generated positive cash flows from operations of \$4.9 billion in 2014 , \$4.5 billion in 2013 and \$2.5 billion in 2012 . We also expect to generate positive cash flows from operations in 2015 .

Our operating cash flows can be impacted by the following factors:

Seasonality of Advance Ticket Sales . We sell tickets for air travel in advance of the customer's travel date. When we receive a cash payment at the time of sale, we record the cash received on advance sales as deferred revenue in air traffic liability. The air traffic liability increases during the winter and spring as we have increased sales in advance of the summer peak travel season and decreases during the summer and fall months.

Fuel and Fuel Hedge Margins . The cost of jet fuel is our most significant expense, representing approximately 35% of our total operating expenses for 2014 . The market price for jet fuel is highly volatile, which can impact the comparability of our cash flows from operations from period to period.

We have jet fuel inventories used in our airline operations at various airport locations and in pipelines. We also have refined oil product inventories that are used in our refinery operations. Jet fuel and refined oil product inventories are recorded as fuel inventory.

As part of our fuel hedging program, we may be required to post margin to counterparties when our portfolio is in a loss position. Conversely, if our portfolio with counterparties is in a gain position, we may receive margin. Our future cash flows are impacted by the nature of our derivative contracts and the market price of the commodities underlying our derivative contracts. As a result of the significant decreases in crude oil prices during 2014, the fair value of our hedge contracts were in a loss position at December 31, 2014 , resulting in \$925 million of margin postings to counterparties.

Timing of SkyMiles Sales. In December 2011, we amended our American Express agreements and agreed to sell \$675 million of unrestricted SkyMiles to American Express in each December from 2011 through 2014. Pursuant to the December 2011 amendment, American Express purchased \$675 million of unrestricted SkyMiles in each of 2012 and 2013 with the final payment in 2014. The SkyMiles purchased in December 2014 are expected to be utilized by American Express in 2015.

In 2008, we entered into a multi-year extension of our American Express agreements and received \$1.0 billion from American Express for an advance purchase of restricted SkyMiles. The agreement, as modified, provided that our obligations with respect to the advance purchase would be satisfied as American Express used the purchased miles over a specified future period (“SkyMiles Usage Period”). During the SkyMiles Usage Period, which commenced in December 2011, American Express utilized SkyMiles valued at \$333 million annually over three years instead of paying cash to Delta for SkyMiles used. In December 2013, we and American Express amended this agreement to allow American Express to use the remaining SkyMiles, valued at \$285 million, immediately and without restriction. As of December 31, 2014, American Express had utilized the remaining SkyMiles associated with this advance purchase.

Pension Contributions. We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and are frozen for future benefit accruals. Our funding obligations for these plans are governed by the Employee Retirement Income Security Act, as modified by the Pension Protection Act of 2006. In 2014, we contributed \$917 million to our defined benefit pension plans, including \$250 million above the minimum funding requirements. These contributions satisfied the required contributions for our defined benefit plans for 2014 on an accelerated basis. We contributed \$914 million in 2013, including \$250 million above the minimum funding levels, and \$697 million in 2012 to our defined benefit pension plans. We estimate the funding under these plans will total at least \$950 million in 2015, including \$340 million above the minimum funding requirements.

Profit Sharing. As discussed above, our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit excluding profit sharing and special items, such as MTM adjustments and restructuring and other items. Our profit sharing program pays 10% to employees on the first \$2.5 billion of annual profits and 20% of annual profits above \$2.5 billion.

We paid \$506 million in profit sharing in February 2014 related to our 2013 pre-tax profit and \$372 million in 2013 related to our 2012 pre-tax profit in recognition of our employees' contributions toward meeting our financial goals. During the year ended December 2014, we recorded \$1.1 billion in profit sharing expense based on 2014 pre-tax profit. To further show our appreciation to our employees, we made an advanced 2014 profit sharing payment totaling more than \$300 million, equal to 5% of pay for eligible employees, in October 2014.

Investing Activities

Capital Expenditures. We incurred capital expenditures of \$2.2 billion in 2014, \$2.6 billion in 2013 and \$2.0 billion in 2012. Our capital expenditures were primarily for the purchase of aircraft and aircraft modifications that upgraded aircraft interiors and enhanced our product offering.

We have committed to future aircraft purchases that will require significant capital investment, and have obtained long-term financing commitments for a substantial portion of the purchase price of these aircraft. We expect that we will invest approximately \$2.8 billion in 2015 primarily for (1) aircraft, including deliveries of B-737-900ERs and A330-300s, along with advance deposit payments for these and our new A321-200, A330-900neo and A350-900 orders, as well as for (2) aircraft modifications, the majority of which relate to enhancing the cabins of our international fleet. We expect that the 2015 investments will be funded primarily through cash flows from operations.

Short-Term Investments. During the September 2014 quarter, we modified our approach to managing short-term investments by investing \$1.5 billion of cash reserves in externally managed investment accounts. These new investments are comprised of U.S. government and agency securities, asset- and mortgage-backed securities, corporate obligations and other fixed term securities. The new approach is expected to generate a greater return with a low level of risk due to diversification.

Financing Activities

Debt and Capital Leases. Our principal amount of debt and capital leases has declined from \$14.4 billion at the beginning of 2012 to \$9.9 billion at December 31, 2014 . Since December 31, 2009, we have reduced our principal amount of debt and capital leases by \$8.4 billion. We have focused on reducing our total debt in recent years as part of our strategy to strengthen our balance sheet. In addition, we have refinanced debt to reduce our total future interest expense.

Capital Returns to Shareholders. In May 2013, we announced a plan to return more than \$1 billion to shareholders over the next three years. As part of this plan, our Board of Directors initiated a quarterly dividend program and a \$500 million share repurchase program, which was to be completed no later than June 30, 2016. We completed this share repurchase authorization during the June 2014 quarter.

In May 2014, we announced the next phase of capital returns to shareholders. The Board of Directors approved a program to increase the quarterly dividend by 50% to \$0.09 per share beginning in the September 2014 quarter and authorized a new \$2 billion share repurchase program to be completed no later than December 31, 2016. Together, the increased dividend program and the new repurchase program are expected to return \$2.75 billion to shareholders through 2016. During the year ended December 31, 2014, we repurchased and retired 21.3 million shares at a cost of \$850 million under the new program. Including the shares repurchased under the May 2013 share repurchase authorization, we repurchased and retired 28.6 million shares at a cost of \$1.1 billion for the year ended December 31, 2014.

On October 24, 2014, the Board of Directors declared a \$0.09 per share dividend for shareholders of record as of November 7, 2014. This dividend was paid in December 2014 and totaled \$75 million. Including dividend payments in the first three quarters, we paid \$251 million of dividends for the year ended December 31, 2014. On February 6, 2015, the Board of Directors declared a \$0.09 per share dividend for shareholders of record as of February 20, 2015.

Undrawn Lines of Credit

We have available \$1.9 billion in undrawn revolving lines of credit. Our credit facilities have covenants, including minimum collateral coverage ratios. If we are not in compliance with these covenants, we may be required to repay amounts borrowed under the credit facilities or we may not be able to draw on them. We currently have a substantial amount of unencumbered assets available to pledge as collateral.

Covenants

We were in compliance with the covenants in our financing agreements at December 31, 2014 .

Contractual Obligations

The following table summarizes our contractual obligations at December 31, 2014 that we expect will be paid in cash. The table does not include amounts that are contingent on events or other factors that are uncertain or unknown at this time, including legal contingencies, uncertain tax positions and amounts payable under collective bargaining arrangements, among others. In addition, the table does not include expected significant cash payments representing obligations that arise in the ordinary course of business that do not include contractual commitments.

The amounts presented are based on various estimates, including estimates regarding the timing of payments, prevailing interest rates, volumes purchased, the occurrence of certain events and other factors. Accordingly, the actual results may vary materially from the amounts presented in the table.

(in millions)	Contractual Obligations by Year ⁽¹⁾						
	2015	2016	2017	2018	2019	Thereafter	Total
Long-term debt (see Note 8)							
Principal amount	\$ 1,111	\$ 1,326	\$ 2,137	\$ 2,028	\$ 1,158	\$ 1,709	\$ 9,469
Interest payments	404	335	266	208	130	328	1,671
Capital lease obligations (see Note 9)							
Principal amount	108	106	78	40	28	38	398
Interest payments	49	33	19	11	5	4	121
Operating lease payments							
Noncancelable payments (see Note 9)	1,707	1,493	1,323	1,120	929	6,169	12,741
Future aircraft leases	25	49	49	47	48	445	663
Aircraft purchase commitments (see Note 12)	1,480	1,970	2,390	2,230	1,060	4,820	13,950
Contract carrier obligations (see Note 12)	2,220	1,930	1,720	1,550	1,430	2,370	11,220
Employee benefit obligations (see Note 11)	770	680	650	740	680	8,320	11,840
Other obligations	630	310	260	180	70	210	1,660
Total	\$ 8,504	\$ 8,232	\$ 8,892	\$ 8,154	\$ 5,538	\$ 24,413	\$ 63,733

⁽¹⁾ For additional information, see the Notes to the Consolidated Financial Statements referenced in the table above.

Long-Term Debt, Principal Amount. Represents scheduled principal payments on long-term debt.

Long-Term Debt, Interest Payments. Represents estimated interest payments under our long-term debt based on the interest rates specified in the applicable debt agreements. Interest payments on variable interest rate debt were calculated using LIBOR at December 31, 2014 .

Operating Lease Payments, Future Aircraft Leases . Represents estimates of lease payments on the remaining 36 B-717-200 aircraft still to be delivered in 2015 pursuant to our lease agreement with Southwest Airlines and on the subsequent lease agreement with The Boeing Company on our B-717-200 fleet.

Aircraft Purchase Commitments. Represents our commitments to purchase 69 B-737-900ER, 45 A321-200, 25 A330-900neo, 25 A350-900, 18 B-787-8, 10 A330-300 and two CRJ-900 aircraft. Our purchase commitment for the 18 B-787-8 aircraft provides for certain aircraft substitution rights.

Contract Carrier Obligations. Represents our estimated minimum fixed obligations under capacity purchase agreements with regional carriers. The reported amounts are based on (1) the required minimum levels of flying by our contract carriers under the applicable agreements and (2) assumptions regarding the costs associated with such minimum levels of flying.

Employee Benefit Obligations. Represents primarily (1) our estimated minimum required funding for our qualified defined benefit pension plans based on actuarially determined estimates and (2) projected future benefit payments from our unfunded postretirement and postemployment plans. For additional information about our employee benefit obligations, see “Critical Accounting Policies and Estimates.”

Other Obligations. Represents estimated purchase obligations under which we are required to make minimum payments for goods and services, including, but not limited to, insurance, marketing, maintenance, technology, sponsorships and other third-party services and products.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are those that require significant judgments and estimates. Accordingly, the actual results may differ materially from these estimates. For a discussion of these and other accounting policies, see Note 1 of the Notes to the Consolidated Financial Statements.

Frequent Flyer Program

Our frequent flyer program (the “SkyMiles Program”) offers incentives to travel on Delta. This program allows customers to earn mileage credits by flying on Delta, regional air carriers with which we have contract carrier agreements and airlines that participate in the SkyMiles Program, as well as through participating companies such as credit card companies, hotels and car rental agencies. We sell mileage credits to non-airline businesses, customers and other airlines. Effective January 1, 2015, the SkyMiles program was modified from a model in which customers earn redeemable mileage credits based on distance traveled to a model based on ticket price. This award change did not affect the way we account for the program.

The SkyMiles Program includes two types of transactions that are considered revenue arrangements with multiple deliverables. As discussed below, these are (1) passenger ticket sales earning mileage credits and (2) the sale of mileage credits to participating companies with which we have marketing agreements. Mileage credits are a separate unit of accounting as they can be redeemed by customers in future periods for air travel on Delta and participating airlines, membership in our Sky Club and other program awards.

Passenger Ticket Sales Earning Mileage Credits. Passenger ticket sales earning mileage credits under our SkyMiles Program provide customers with two deliverables: (1) mileage credits earned and (2) air transportation. We value each deliverable on a standalone basis. Our estimate of the selling price of a mileage credit is based on an analysis of our sales of mileage credits to other airlines and customers, which is re-evaluated at least annually. We use established ticket prices to determine the estimated selling price of air transportation. We allocate the total amount collected from passenger ticket sales between the deliverables based on their relative selling prices.

We defer revenue for the mileage credits related to passenger ticket sales and recognize it as passenger revenue when miles are redeemed and services are provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize these amounts in passenger revenue when we provide transportation or when the ticket expires unused. A hypothetical 10% increase in our estimate of the standalone selling price of a mileage credit would decrease passenger revenue by approximately \$53 million, as a result of an increase in the amount of revenue deferred from the mileage component of passenger ticket sales.

Sale of Mileage Credits. Customers may earn mileage credits through participating companies such as credit card companies, hotels and car rental agencies with which we have marketing agreements to sell mileage credits. Our contracts to sell mileage credits under these marketing agreements have multiple deliverables, as defined below.

Our most significant contract to sell mileage credits relates to our co-brand credit card relationship with American Express. In December 2014, we amended our marketing agreements with American Express which increased the value we will receive under the agreements and extended the term to 2022. The amended agreements became effective January 1, 2015. The deliverables under the amended agreements are substantially similar to the previous agreement. We will account for the amended agreements consistent with the accounting method adopted in September 2013 that allocates the consideration received to the individual products and services delivered based on their relative selling prices. The increased value received under the amended agreements will increase the amount of deferred revenue for the travel component and increase the value of the other deliverables, which are recognized in other revenue as they are provided.

In September 2013, we modified our marketing agreements with American Express that required us to change the accounting method for recording SkyMiles sold. Under the previous method, the embedded premium or discount was allocated to the residual products or services in a combined transaction. The new method allocates consideration received based on the relative selling price of each product or service. We determined our best estimate of the selling prices by considering discounted cash flow analysis using multiple inputs and assumptions, including: (1) the expected number of miles awarded and number of miles redeemed, (2) the rate at which we sell mileage credits to other airlines, (3) published rates on our website for baggage fees, access to Delta Sky Club lounges and other benefits while traveling on Delta and (4) brand value. The impact of adopting the relative selling price method re-allocated a portion of the embedded discount to the travel component, lowering the deferral rate we use to record miles sold under the agreements and increasing revenue recognized on the remaining deliverables.

We recognize revenue as we deliver each sales element. We defer the travel deliverable (miles) as part of frequent flyer deferred revenue and recognize passenger revenue as the mileage credits are used for travel. The revenue allocated to the remaining deliverables is recorded in other revenue. We recognize the revenue for these services as they are performed.

Breakage. For mileage credits that we estimate are not likely to be redeemed (“breakage”), we recognize the associated value proportionally during the period in which the remaining mileage credits are expected to be redeemed. Management uses statistical models to estimate breakage based on historical redemption patterns. A change in assumptions as to the period over which mileage credits are expected to be redeemed, the actual redemption activity for mileage credits or the estimated fair value of mileage credits expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. At December 31, 2014, the aggregate deferred revenue balance associated with the SkyMiles Program was \$4.2 billion. A hypothetical 1% change in the number of outstanding miles estimated to be redeemed would result in a \$28 million impact on our deferred revenue liability at December 31, 2014.

Goodwill and Indefinite-Lived Intangible Assets

We apply a fair value-based impairment test to the carrying value of goodwill and indefinite-lived intangible assets on an annual basis (as of October 1) and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. We assess the value of our goodwill and indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including the key assumptions listed below. We analyze these factors to determine if events and circumstances have affected the fair value of goodwill and indefinite-lived intangible assets. If we determine that it is more likely than not that the asset may be impaired, we use the quantitative approach to assess the asset's fair value and the amount of the impairment. Under a quantitative approach, we calculate the fair value of the asset using the key assumptions listed below. If the asset's carrying value exceeds its fair value calculated using the quantitative approach, we will record an impairment charge for the difference in fair value and carrying value.

When we evaluate goodwill for impairment using a quantitative approach, we estimate the fair value of the reporting unit by considering market capitalization and other factors. When we perform a quantitative impairment assessment of our indefinite-lived intangible assets, fair value is estimated based on (1) recent market transactions, where available, (2) a combination of limited market transactions and the lease savings method for certain airport slots (which reflects potential lease savings from owning the slots rather than leasing them from another airline at market rates), (3) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (4) projected discounted future cash flows (an income approach).

Key Assumptions. The key assumptions in our impairment tests include: (1) forecasted revenues, expenses and cash flows, (2) terminal period revenue growth and cash flows, (3) an estimated weighted average cost of capital, (4) assumed discount rates depending on the asset and (5) a tax rate. These assumptions are consistent with those hypothetical market participants would use. Since we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. In addition, we consider the amount by which the intangible assets' fair value exceeded their carrying value in the most recent fair value measurement calculated using a quantitative approach.

Changes in certain events and circumstances could result in impairment. Factors which could cause impairment include, but are not limited to, (1) negative trends in our market capitalization, (2) reduced profitability resulting from lower passenger mile yields or higher input costs (primarily related to fuel and employees), (3) lower passenger demand as a result of weakened U.S. and global economies, (4) interruption to our operations due to a prolonged employee strike, terrorist attack, or other reasons, (5) changes to the regulatory environment (e.g., diminished slot restrictions or additional Open Skies agreements), (6) competitive changes by other airlines and (7) strategic changes to our operations leading to diminished utilization of the intangible assets.

We assessed each of the above assumptions in our most recent impairment analyses. The combination of our most recently completed annual results and our projected revenues, expenses and cash flows more than offset any negative events and circumstances. The stabilizing operating environment for U.S. airlines has resulted in annual yields increasing along with load factors, leading to improved financial results.

Goodwill . Our goodwill balance, which is related to the airline segment, was \$9.8 billion at December 31, 2014 . We determined that there was no indication that Goodwill was impaired based upon our qualitative assessment of all relevant factors, including applicable factors noted in " *Key Assumptions* " above.

Identifiable Intangible Assets. Our identifiable intangible assets, which are related to the airline segment, had a net carrying amount of \$4.6 billion at December 31, 2014 , of which \$4.4 billion related to indefinite-lived intangible assets. Indefinite-lived assets are not amortized and consist primarily of routes, slots, the Delta tradename and assets related to SkyTeam and collaborative arrangements. Definite-lived assets consist primarily of marketing and partner agreements.

In 2014 , we performed a quantitative assessment of our Pacific routes and slots indefinite-lived intangible asset and determined that there was no indication that the asset was impaired. We obtained this asset as part of the acquisition of Northwest Airlines in 2008 and is composed of Pacific route authorities and takeoff and landing rights ("slots") at Tokyo-Narita International Airport ("Narita"). This intangible asset supports Delta's Narita hub activities and is essential to Delta's Pacific network. As of the 2014 assessment, the estimated fair value of the Pacific routes and slots intangible asset exceeded the \$2.2 billion carrying value by approximately 20%. Changes in key inputs and assumptions, including (1) our strategy related to the composition of our Pacific network and flying, (2) new or enhanced joint ventures or alliances, (3) foreign currency exchange rates, (4) fuel costs and (5) Pacific region profitability, could impact the value of this asset in the future.

We performed a qualitative assessment of all other indefinite-lived intangible assets and determined that there was no indication that our indefinite-lived intangible assets were impaired. The qualitative assessments included analyses and weighting of all relevant factors, including the applicable factors noted above, which impact the fair value of our indefinite-lived intangible assets.

Long-Lived Assets

Our flight equipment and other long-lived assets have a recorded value of \$21.9 billion at December 31, 2014 . This value is based on various factors, including the assets' estimated useful lives and salvage values. We record impairment losses on flight equipment and other long-lived assets used in operations when events and circumstances indicate the assets may be impaired and the estimated future cash flows generated by those assets are less than their carrying amounts. Factors which could cause impairment include, but are not limited to, (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For long-lived assets held for sale, we discontinue depreciation and record impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

To determine whether impairments exist for aircraft used in operations, we group assets at the fleet-type level (the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel costs, labor costs and other relevant factors. If an impairment occurs, the impairment loss recognized is the amount by which the fleet's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available.

Income Tax Valuation Allowance

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is not likely we will realize our deferred income tax assets. In making this determination, we consider all available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results, and tax planning strategies. In evaluating the likelihood of utilizing our net deferred income tax assets, the significant factors that we consider include (1) our recent history of profitability, (2) growth in the U.S. and global economies, (3) forecast of airline revenue trends, (4) estimate of future fuel prices and (5) future impact of taxable temporary differences.

We recorded a full valuation allowance in 2004 due to our cumulative loss position at that time. During 2013 , after considering all positive and negative evidence, we concluded that our deferred income tax assets are more likely than not to be realized. Accordingly, we released substantially all of the valuation allowance against our net deferred income tax assets. We recognized an \$8.0 billion benefit in our provision for income taxes, primarily related to the valuation allowance release.

At the end of 2014 our net deferred tax asset balance was \$7.6 billion , against which we maintained a \$46 million valuation allowance, primarily related to state net operating losses with limited expiration periods.

Defined Benefit Pension Plans

We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. As of December 31, 2014 , the unfunded benefit obligation for these plans recorded on our Consolidated Balance Sheet was \$12.5 billion . During 2014 , we contributed \$917 million to these plans and recorded \$233 million of expense in salaries and related costs on our Consolidated Statement of Operations. In 2015, we estimate we will contribute at least \$950 million to these plans, including \$340 million of contributions above the minimum funding requirements, and that our expense will be approximately \$250 million. The most critical assumptions impacting our defined benefit pension plan obligations and expenses are the discount rate, the expected long-term rate of return on plan assets and life expectancy.

Weighted Average Discount Rate. We determine our weighted average discount rate on our measurement date primarily by reference to annualized rates earned on high quality fixed income investments and yield-to-maturity analysis specific to our estimated future benefit payments. We used a weighted average discount rate to value the obligations of 4.14% and 5.01% at December 31, 2014 and 2013 , respectively. Our weighted average discount rate for net periodic pension benefit cost in each of the past three years has varied from the rate selected on our measurement date, ranging from 4.10% to 4.99% between 2014 and 2012 .

Expected Long-Term Rate of Return. Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan asset assumptions annually. Our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. Our actual historical annualized three and five year rate of return on plan assets for our defined benefit pension plans was approximately 11% and 9% , respectively, as of December 31, 2014 . The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. This is achieved by investing in a globally diversified mix of public and private equity, fixed income, real assets, hedge funds, and other assets and instruments. Our expected long-term rate of return on assets for net periodic pension benefit cost for the year ended December 31, 2014 was 9% .

Life Expectancy . We have historically utilized the Society of Actuaries' ("SOA") published mortality data in developing a best estimate of life expectancy. On October 27, 2014, the SOA published updated mortality tables for U.S. plans and an updated improvement scale, which both reflect improved longevity. Based on an evaluation of these new tables and our perspective of future longevity, we updated the mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations at December 31, 2014 . The improvement in life expectancy increases our benefit obligations and future expense as benefit payments are paid over an extended period of time.

The impact of a 0.50% change in these assumptions is shown in the table below:

Change in Assumption	Effect on 2015 Pension Expense	Effect on Accrued Pension Liability at December 31, 2014
0.50% decrease in weighted average discount rate	-\$4 million	+\$1.5 billion
0.50% increase in weighted average discount rate	-\$3 million	-\$1.4 billion
0.50% decrease in expected long-term rate of return on assets	+\$48 million	—
0.50% increase in expected long-term rate of return on assets	-\$48 million	—

Funding. Our funding obligations for qualified defined benefit plans are governed by the Employee Retirement Income Security Act. The Pension Protection Act of 2006 allows commercial airlines to elect alternative funding rules ("Alternative Funding Rules") for defined benefit plans that are frozen. Delta elected the Alternative Funding Rules under which the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate.

While the Pension Protection Act makes our funding obligations for these plans more predictable, factors outside our control continue to have an impact on the funding requirements. Estimates of future funding requirements are based on various assumptions and can vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets; statutory requirements; and demographic data for participants. For additional information, see Note 11 of the Notes to the Consolidated Financial Statements.

Recent Accounting Standards

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers." While the standard supersedes existing revenue recognition guidance, it closely aligns with current GAAP. Under the new standard, revenue is recognized at the time a good or service is transferred to a customer for the amount of consideration received for that specific good or service. It is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods, and early adoption is not permitted. Entities may use a full retrospective approach or report the cumulative effect as of the date of adoption. We are currently evaluating the impact, if any, the adoption of this standard will have on our Consolidated Financial Statements.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU No. 2013-02, "Comprehensive Income." The standard revises the reporting of items reclassified out of accumulated other comprehensive income and is effective for fiscal years beginning after December 15, 2012. We adopted this guidance in the March 2013 quarter and have presented amounts reclassified out of accumulated other comprehensive income in a note to the financial statements. For additional information, see Note 15.

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, "Presentation of Comprehensive Income." The standard revises the presentation and prominence of the items reported in other comprehensive income and is effective retrospectively for fiscal years beginning after December 15, 2011. We adopted this standard in 2012 and have presented comprehensive income in our Consolidated Statements of Comprehensive Income (Loss).

Supplemental Information

We sometimes use information ("non-GAAP financial measures") that is derived from the Consolidated Financial Statements, but that is not presented in accordance with GAAP. Under the U.S. Securities and Exchange Commission rules, non-GAAP financial measures may be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

The following table shows a reconciliation of pre-tax income (a GAAP measure) to pre-tax income, adjusted (a non-GAAP financial measure). We exclude the following items from pre-tax income to determine pre-tax income, adjusted for the reasons described below:

- *MTM adjustments.* MTM adjustments are based on market prices at the end of the reporting period for contracts settling in future periods. Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. Therefore, excluding these adjustments allows investors to better understand and analyze the company's core operational performance in the periods shown.
- *Restructuring and other.* Because of the variability in restructuring and other, the exclusion of this item is helpful to investors to analyze our recurring core operational performance in the periods shown.
- *Loss on extinguishment of debt.* Because of the variability in loss on extinguishment of debt, the exclusion of this item is helpful to investors to analyze the company's recurring core operational performance in the periods shown.
- *Virgin Atlantic MTM adjustments .* We record our proportionate share of earnings from our equity investment in Virgin Atlantic in other expense. We exclude Virgin Atlantic's MTM adjustments to allow investors to better understand and analyze the company's financial performance in the periods shown.

(in millions)	Year Ended December 31,	
	2014	2013
Pre-tax income	\$ 1,072	\$ 2,527
Items excluded:		
MTM adjustments	2,346	(276)
Restructuring and other	716	424
Loss on extinguishment of debt	268	—
Virgin Atlantic MTM adjustments	134	—
Pre-tax income, adjusted	\$ 4,536	\$ 2,675

The following table shows a reconciliation of CASM (a GAAP measure) to CASM-Ex (a non-GAAP financial measure). We exclude the following items from CASM to determine CASM-Ex for the reasons described:

- *Aircraft fuel and related taxes.* The volatility in fuel prices impacts the comparability of year-over-year financial performance. The exclusion of aircraft fuel and related taxes (including our regional carriers) allows investors to better understand and analyze our non-fuel costs and our year-over-year financial performance.
- *Profit sharing.* We exclude profit sharing because this exclusion allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.
- *Restructuring and other.* Because of the variability in restructuring and other, the exclusion of this item is helpful to investors to analyze our recurring core operational performance in the periods shown.
- *Other expenses.* Other expenses include aircraft maintenance and staffing services we provide to third parties, our vacation wholesale operations and refinery cost of sales to third parties. Because these businesses are not related to the generation of a seat mile, we exclude the costs related to these sales to provide a more meaningful comparison of the costs of our airline operations to the rest of the airline industry.

	Year Ended December 31,	
	2014	2013
CASM	15.92¢	15.92¢
Items excluded:		
Aircraft fuel and related taxes	(5.64)	(5.64)
Profit sharing	(0.45)	(0.45)
Restructuring and other	(0.30)	(0.30)
Other expenses	(0.37)	(0.37)
CASM-Ex	9.16¢	9.16¢

Glossary of Defined Terms

ASM - Available Seat Mile. A measure of capacity. ASMs equal the total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

CASM - (Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period.

CASM-Ex - The amount of operating cost incurred per ASM during a reporting period, excluding aircraft fuel and related taxes, profit sharing, restructuring and other items and other expenses, including aircraft maintenance and staffing services we provide to third parties, our vacation wholesale operations and refinery cost of sales to third parties.

Passenger Load Factor - A measure of utilized available seating capacity calculated by dividing RPMs by ASMs for a reporting period.

Passenger Mile Yield or Yield - The amount of passenger revenue earned per RPM during a reporting period.

PRASM - Passenger Revenue per ASM. The amount of passenger revenue earned per ASM during a reporting period. PRASM is also referred to as “unit revenue.”

RPM - Revenue Passenger Mile. One revenue-paying passenger transported one mile. RPMs equal the number of revenue passengers during a reporting period multiplied by the number of miles flown by those passengers during that period. RPMs are also referred to as “traffic.”

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have market risk exposure related to aircraft fuel prices, interest rates and foreign currency exchange rates. Market risk is the potential negative impact of adverse changes in these prices or rates on our Consolidated Financial Statements. In an effort to manage our exposure to these risks, we enter into derivative contracts and may adjust our derivative portfolio as market conditions change. We expect adjustments to the fair value of financial instruments to result in ongoing volatility in earnings and stockholders' equity.

The following sensitivity analysis does not consider the effects of a change in demand for air travel, the economy as a whole or actions we may take to seek to mitigate our exposure to a particular risk. For these and other reasons, the actual results of changes in these prices or rates may differ materially from the following hypothetical results.

Aircraft Fuel Price Risk

Changes in aircraft fuel prices materially impact our results of operations. We actively manage our fuel price risk through a hedging program intended to reduce the financial impact from changes in the price of jet fuel. We utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We rebalance the hedge portfolio from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates .

Our fuel hedge portfolio consists of options, swaps and futures. The hedge contracts include crude oil, diesel fuel and jet fuel, as these commodities are highly correlated with the price of jet fuel that we consume. Our fuel hedge contracts contain margin funding requirements. The margin funding requirements may cause us to post margin to counterparties or may cause counterparties to post margin to us as market prices in the underlying hedged items change. If fuel prices change significantly from the levels existing at the time we enter into fuel hedge contracts, we may be required to post a significant amount of margin. We may adjust our hedge portfolio from time to time in response to margin posting requirements.

For the year ended December 31, 2014 , aircraft fuel and related taxes, including our regional carriers, accounted for \$13.5 billion , or 35% , of our total operating expense. We recognized \$2.0 billion of fuel hedge losses during the year ended December 31, 2014 , due to unfavorable MTM adjustments.

The following table shows the projected cash impact to fuel cost assuming 20% and 40% increases or decreases in fuel prices. The hedge gain (loss) reflects the change in the projected cash settlement value of our open fuel hedge contracts at January 31, 2015 based on their contract settlement dates, assuming the same 20% and 40% changes.

	(in millions)				
	Period from February 1, 2015 to December 31, 2015				Fuel Hedge Margin (Posted to) Received from Counterparties ⁽³⁾
	(Increase) Decrease to Unhedged Fuel Cost ⁽¹⁾	Hedge Gain (Loss) ⁽²⁾	Net Impact		
+ 40%	\$ (2,430)	\$ 850	\$ (1,580)	\$	(680)
+ 20%	(1,220)	420	(800)		(820)
- 20%	1,220	(410)	810		(780)
- 40%	2,430	(1,140)	1,290		(1,400)

⁽¹⁾ Projections based upon the (increase) decrease to unhedged fuel cost as compared to the jet fuel price per gallon of \$1.60, excluding transportation costs and taxes, at January 31, 2015 and estimated fuel consumption of 3.6 billion gallons for the period from February 1, 2015 to December 31, 2015.

⁽²⁾ Projections based on average futures prices by contract settlement month compared to futures prices at January 31, 2015.

⁽³⁾ Projections represent margin estimates for the entire fuel hedge portfolio at January 31, 2015, including contracts settling in 2016.

Interest Rate Risk

Our exposure to market risk from adverse changes in interest rates is primarily associated with our long-term debt obligations. Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates.

At December 31, 2014 , we had \$4.1 billion of fixed-rate long-term debt and \$5.4 billion of variable-rate long-term debt. An increase of 100 basis points in average annual interest rates would have decreased the estimated fair value of our fixed-rate long-term debt by \$170 million at December 31, 2014 and would have increased the annual interest expense on our variable-rate long-term debt by \$42 million, exclusive of the impact of our interest rate hedge contracts.

Foreign Currency Exchange Risk

We are subject to foreign currency exchange rate risk because we have revenue and expense denominated in foreign currencies with our primary exposures being the Japanese yen and Canadian dollar. To manage exchange rate risk, we execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. From time to time, we may also enter into foreign currency option and forward contracts. At December 31, 2014 , we had open foreign currency forward contracts totaling a \$73 million asset position. We estimate that a 10% depreciation or appreciation in the price of the Japanese yen and Canadian dollar in relation to the U.S. dollar would change the projected cash settlement value of our open hedge contracts by a \$60 million gain or \$80 million loss, respectively, for the year ending December 31, 2015.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Delta Air Lines, Inc.

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (the Company) as of December 31, 2014 and 2013 , and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2014 . These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Delta Air Lines, Inc. at December 31, 2014 and 2013 , and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014 , in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2014 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 10, 2015 expressed an unqualified opinion thereon.

Atlanta, Georgia
February 10, 2015

/s/ Ernst & Young LLP

DELTA AIR LINES, INC.
Consolidated Balance Sheets

(in millions, except share data)	December 31,	
	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,088	\$ 2,844
Short-term investments	1,217	959
Accounts receivable, net of an allowance for uncollectible accounts of \$21 and \$23 at December 31, 2014 and 2013, respectively	2,297	1,609
Hedge margin receivable	925	3
Fuel inventory	534	706
Expendable parts and supplies inventories, net of an allowance for obsolescence of \$127 and \$118 at December 31, 2014 and 2013, respectively	318	357
Hedge derivatives asset	1,078	585
Deferred income taxes, net	3,275	1,736
Prepaid expenses and other	733	852
Total current assets	12,465	9,651
Property and Equipment, Net:		
Property and equipment, net of accumulated depreciation and amortization of \$9,340 and \$7,792 at December 31, 2014 and 2013, respectively	21,929	21,854
Other Assets:		
Goodwill	9,794	9,794
Identifiable intangibles, net of accumulated amortization of \$793 and \$738 at December 31, 2014 and 2013, respectively	4,603	4,658
Deferred income taxes, net	4,320	4,992
Other noncurrent assets	1,010	1,303
Total other assets	19,727	20,747
Total assets	\$ 54,121	\$ 52,252
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt and capital leases	\$ 1,216	\$ 1,547
Air traffic liability	4,296	4,122
Accounts payable	2,622	2,300
Accrued salaries and related benefits	2,266	1,926
Hedge derivatives liability	2,772	146
Frequent flyer deferred revenue	1,580	1,861
Other accrued liabilities	2,127	2,250
Total current liabilities	16,879	14,152
Noncurrent Liabilities:		
Long-term debt and capital leases	8,561	9,795
Pension, postretirement and related benefits	15,138	12,392
Frequent flyer deferred revenue	2,602	2,559
Other noncurrent liabilities	2,128	1,711
Total noncurrent liabilities	28,429	26,457
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 845,048,310 and 869,484,981 shares issued at December 31, 2014 and 2013, respectively	—	—
Additional paid-in capital	12,981	13,982

Retained earnings	3,456	3,049
Accumulated other comprehensive loss	(7,311)	(5,130)
Treasury stock, at cost, 19,790,077 and 18,041,848 shares at December 31, 2014 and 2013, respectively	(313)	(258)
Total stockholders' equity	8,813	11,643
Total liabilities and stockholders' equity	<u>\$ 54,121</u>	<u>\$ 52,252</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Operations

(in millions, except per share data)	Year Ended December 31,		
	2014	2013	2012
Operating Revenue:			
Passenger:			
Mainline	\$ 28,688	\$ 26,534	\$ 25,173
Regional carriers	6,266	6,408	6,581
Total passenger revenue	34,954	32,942	31,754
Cargo	934	937	990
Other	4,474	3,894	3,926
Total operating revenue	40,362	37,773	36,670
Operating Expense:			
Aircraft fuel and related taxes	11,668	9,397	10,150
Salaries and related costs	8,120	7,720	7,266
Regional carrier expense	5,237	5,669	5,647
Aircraft maintenance materials and outside repairs	1,828	1,852	1,955
Depreciation and amortization	1,771	1,658	1,565
Contracted services	1,749	1,665	1,566
Passenger commissions and other selling expenses	1,700	1,603	1,590
Landing fees and other rents	1,442	1,410	1,336
Profit sharing	1,085	506	372
Passenger service	810	762	732
Aircraft rent	233	209	272
Restructuring and other items	716	402	452
Other	1,797	1,520	1,592
Total operating expense	38,156	34,373	34,495
Operating Income	2,206	3,400	2,175
Other Expense:			
Interest expense, net	(650)	(852)	(1,005)
Loss on extinguishment of debt	(268)	—	(118)
Miscellaneous, net	(216)	(21)	(27)
Total other expense, net	(1,134)	(873)	(1,150)
Income Before Income Taxes	1,072	2,527	1,025
Income Tax (Provision) Benefit	(413)	8,013	(16)
Net Income	\$ 659	\$ 10,540	\$ 1,009
Basic Earnings Per Share	\$ 0.79	\$ 12.41	\$ 1.20
Diluted Earnings Per Share	\$ 0.78	\$ 12.29	\$ 1.19
Cash Dividends Declared Per Share	\$ 0.30	\$ 0.12	\$ —

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Comprehensive (Loss) Income

(in millions)	Year Ended December 31,		
	2014	2013	2012
Net Income	<u>\$ 659</u>	<u>\$ 10,540</u>	<u>\$ 1,009</u>
Other comprehensive (loss) income:			
Net gain on foreign currency and interest rate derivatives	3	482	211
Net change in pension and other benefit liabilities	(2,194)	2,984	(2,019)
Net gain (loss) on investments	10	(19)	(3)
Total Other Comprehensive (Loss) Income	<u>(2,181)</u>	<u>3,447</u>	<u>(1,811)</u>
Comprehensive (Loss) Income	<u><u>\$ (1,522)</u></u>	<u><u>\$ 13,987</u></u>	<u><u>\$ (802)</u></u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Cash Flows

(in millions)	Year Ended December 31,		
	2014	2013	2012
Cash Flows From Operating Activities:			
Net income	\$ 659	\$ 10,540	\$ 1,009
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,771	1,658	1,565
Amortization of debt discount, net	59	154	193
Hedge derivative contracts	2,186	(86)	(209)
Deferred income taxes	414	(7,991)	17
Pension, postretirement and postemployment expense less than payments	(723)	(624)	(208)
Restructuring and other items	758	285	184
Extinguishment of debt	268	—	118
Equity investment loss (earnings)	106	(24)	—
SkyMiles used pursuant to advance purchase under American Express Agreements	—	(333)	(333)
Changes in certain assets and liabilities:			
Receivables	(302)	90	(116)
Restricted cash and cash equivalents	62	231	(51)
Fuel inventory	172	(87)	(451)
Hedge margin	(922)	14	14
Prepaid expenses and other current assets	58	28	(134)
Air traffic liability	174	426	216
Frequent flyer deferred revenue	(238)	(121)	(115)
Accounts payable and accrued liabilities	228	213	899
Other, net	217	131	(122)
Net cash provided by operating activities	4,947	4,504	2,476
Cash Flows From Investing Activities:			
Property and equipment additions:			
Flight equipment, including advance payments	(1,662)	(2,117)	(1,196)
Ground property and equipment, including technology	(587)	(451)	(772)
Purchase of Virgin Atlantic shares	—	(360)	—
Purchase of short-term investments	(1,795)	(959)	(958)
Redemption of short-term investments	1,533	1,117	1,019
Other, net	48	14	(55)
Net cash used in investing activities	(2,463)	(2,756)	(1,962)
Cash Flows From Financing Activities:			
Payments on long-term debt and capital lease obligations	(2,928)	(1,461)	(2,864)
Repurchase of common stock	(1,100)	(250)	—
Cash dividends	(251)	(102)	—
Proceeds from long-term obligations	1,020	268	1,965
Other, net	19	225	144
Net cash used in financing activities	(3,240)	(1,320)	(755)
Net (Decrease) Increase in Cash and Cash Equivalents	(756)	428	(241)
Cash and cash equivalents at beginning of period	2,844	2,416	2,657
Cash and cash equivalents at end of period	<u>\$ 2,088</u>	<u>\$ 2,844</u>	<u>\$ 2,416</u>
Supplemental Disclosure of Cash Paid for Interest	\$ 560	\$ 698	\$ 834
Non-Cash Transactions:			
Flight equipment under capital leases	\$ 28	\$ 67	\$ 28
Built-to-suit leased facilities	7	114	214

American Express advance purchase of restricted SkyMiles	—	285	—

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Stockholders' Equity (Deficit)

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at January 1, 2012	861	\$ —	\$ 13,999	\$ (8,398)	\$ (6,766)	16	\$ (231)	\$ (1,396)
Net income	—	—	—	1,009	—	—	—	1,009
Other comprehensive loss	—	—	—	—	(1,811)	—	—	(1,811)
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, \$10.91 ⁽¹⁾ per share)	5	—	54	—	—	—	(3)	51
Stock options exercised	2	—	16	—	—	—	—	16
Balance at December 31, 2012	868	—	14,069	(7,389)	(8,577)	16	(234)	(2,131)
Net income	—	—	—	10,540	—	—	—	10,540
Dividends declared	—	—	—	(102)	—	—	—	(102)
Other comprehensive income	—	—	—	—	3,447	—	—	3,447
Shares of common stock issued and compensation expense associated with equity awards and other (Treasury shares withheld for payment of taxes, \$14.97 ⁽¹⁾ per share)	5	—	90	—	—	2	(24)	66
Stock options exercised	6	—	73	—	—	—	—	73
Stock purchased and retired	(10)	—	(250)	—	—	—	—	(250)
Balance at December 31, 2013	869	—	13,982	3,049	(5,130)	18	(258)	11,643
Net income	—	—	—	659	—	—	—	659
Dividends declared	—	—	—	(252)	—	—	—	(252)
Other comprehensive loss	—	—	—	—	(2,181)	—	—	(2,181)
Shares of common stock issued and compensation expense associated with equity awards and other (Treasury shares withheld for payment of taxes, \$31.46 ⁽¹⁾ per share)	3	—	81	—	—	2	(55)	26
Stock options exercised	2	—	18	—	—	—	—	18
Stock purchased and retired	(29)	—	(1,100)	—	—	—	—	(1,100)
Balance at December 31, 2014	845	\$ —	\$ 12,981	\$ 3,456	\$ (7,311)	20	\$ (313)	\$ 8,813

⁽¹⁾ Weighted average price per share

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Delta Air Lines, Inc., a Delaware corporation, provides scheduled air transportation for passengers and cargo throughout the United States ("U.S.") and around the world. Our Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our wholly-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). We do not consolidate the financial statements of any company in which we have an ownership interest of 50% or less. We are not the primary beneficiary of, nor do we have a controlling financial interest in, any variable interest entity. Accordingly, we have not consolidated any variable interest entity.

We have marketing alliances with other airlines to enhance our access to domestic and international markets. These arrangements may include codesharing, reciprocal frequent flyer program benefits, shared or reciprocal access to passenger lounges, joint promotions, common use of airport gates and ticket counters, ticket office co-location and other marketing agreements. We have received antitrust immunity for certain marketing arrangements, which enables us to offer a more integrated route network and develop common sales, marketing and discount programs for customers. Some of our marketing arrangements provide for the sharing of revenues and expenses. Revenues and expenses associated with collaborative arrangements are presented on a gross basis in the applicable line items on our Consolidated Statements of Operations.

As described in Note 4 , we became the sole owner of Endeavor Air, Inc. ("Endeavor"), formerly Pinnacle Airlines, Inc., on May 1, 2013, pursuant to a confirmed plan of reorganization in the bankruptcy cases of Endeavor and its affiliates. Prior to this acquisition, Endeavor served as a regional carrier under a capacity purchase agreement where we purchased Endeavor's entire seat inventory and marketed it under the Delta tradename. Accordingly, Endeavor's passenger revenue was included in regional carriers passenger revenue in Delta's Consolidated Statements of Operations. All of the expenses Delta incurred under this arrangement were included in contract carrier arrangements expense. Subsequent to this acquisition, we have maintained this presentation and have re-titled contract carrier arrangements expense as regional carrier expense to reflect the inclusion of a wholly-owned regional carrier. This presentation aligns with the regional revenue presentation on the Consolidated Statements of Operations.

We reclassified certain prior period amounts, none of which were material, to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

Use of Estimates

We are required to make estimates and assumptions when preparing our Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the amounts reported in our Consolidated Financial Statements and the accompanying notes. Actual results could differ materially from those estimates.

Recent Accounting Standards

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers." While the standard supersedes existing revenue recognition guidance, it closely aligns with current GAAP. Under the new standard, revenue is recognized at the time a good or service is transferred to a customer for the amount of consideration received for that specific good or service. It is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods, and early adoption is not permitted. Entities may use a full retrospective approach or report the cumulative effect as of the date of adoption. We are currently evaluating the impact, if any, the adoption of this standard will have on our Consolidated Financial Statements.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued ASU No. 2013-02, "Comprehensive Income." The standard revises the reporting of items reclassified out of accumulated other comprehensive income and is effective for fiscal years beginning after December 15, 2012. We adopted this guidance in the March 2013 quarter and have presented amounts reclassified out of accumulated other comprehensive income in a note to the financial statements. For additional information, see Note 15.

Presentation of Comprehensive Income

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income." The standard revises the presentation and prominence of the items reported in other comprehensive income and is effective retrospectively for fiscal years beginning after December 15, 2011. We adopted this standard in 2012 and have presented comprehensive income in our Consolidated Statements of Comprehensive (Loss) Income.

Cash and Cash Equivalents and Short-Term Investments

Short-term, highly liquid investments with maturities of three months or less when purchased are classified as cash and cash equivalents. Investments with maturities of greater than three months, but not in excess of one year, when purchased are classified as short-term investments. Investments with maturities beyond one year when purchased may be classified as short-term investments if they are expected to be available to support our short-term liquidity needs. All short-term investments are classified as either available-for-sale or held-to-maturity and realized gains and losses are recorded using the specific identification method.

Accounts Receivable

Accounts receivable primarily consist of amounts due from credit card companies from the sale of passenger airline tickets, customers of our aircraft maintenance and cargo transportation services and other companies for the purchase of mileage credits under our SkyMiles Program. We provide an allowance for uncollectible accounts equal to the estimated losses expected to be incurred based on historical chargebacks, write-offs, bankruptcies and other specific analyses. Bad debt expense was not material in any period presented.

Inventories

Spare Parts. Inventories of expendable parts related to flight equipment, which cannot be economically repaired, reconditioned or reused after removal from the aircraft, are carried at moving average cost and charged to operations as consumed. An allowance for obsolescence is provided over the remaining useful life of the related fleet. We also provide allowances for parts identified as excess or obsolete to reduce the carrying costs to the lower of cost or net realizable value. These parts are assumed to have an estimated residual value of 5% of the original cost.

Refinery. Refined product, feedstock and blendstock inventories, all of which are finished goods, are carried at recoverable cost. We use jet fuel produced by the refinery and procured through the exchange with third parties of gasoline, diesel and other refined products ("non-jet fuel products") the refinery produces in our airline operations. Cost is determined using the first-in, first-out method. Costs include the raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead.

Accounting for Refinery Related Buy/Sell Agreements

To the extent that we receive jet fuel for non-jet fuel products exchanged under buy/sell agreements, we account for these transactions as nonmonetary exchanges. We have recorded these nonmonetary exchanges at the carrying amount of the non-jet fuel products transferred within aircraft fuel and related taxes on the Consolidated Statements of Operations.

Derivatives

Changes in aircraft fuel prices, interest rates and foreign currency exchange rates impact our results of operations. In an effort to manage our exposure to these risks, we enter into derivative contracts and adjust our derivative portfolio as market conditions change. We recognize derivative contracts at fair value on our Consolidated Balance Sheets.

Not Designated as Accounting Hedges. We do not designate our fuel derivative contracts as accounting hedges. We record changes in the fair value of our fuel hedges in aircraft fuel and related taxes. These changes in fair value include settled gains and losses as well as mark-to-market adjustments ("MTM adjustments"). MTM adjustments are based on market prices at the end of the reporting period for contracts settling in future periods.

Designated as Cash Flow Hedges. For derivative contracts designated as cash flow hedges (interest rate contracts and foreign currency exchange contracts), the effective portion of the gain or loss on the derivative is reported as a component of AOCI and reclassified into earnings in the same period in which the hedged transaction affects earnings. The effective portion of the derivative represents the change in fair value of the hedge that offsets the change in fair value of the hedged item. To the extent the change in the fair value of the hedge does not perfectly offset the change in the fair value of the hedged item, the ineffective portion of the hedge is immediately recognized in other expense.

Designated as Fair Value Hedges. For derivative contracts designated as fair value hedges (interest rate contracts), the gain or loss on the derivative is reported in earnings and an equivalent amount is reflected as a change in the carrying value of long-term debt and capital leases, with an offsetting loss or gain recognized in current earnings. We include the gain or loss on the hedged item in the same account as the offsetting loss or gain on the related derivative contract, resulting in no impact to our Consolidated Statements of Operations.

The following table summarizes the risk each type of derivative contract is hedging and the classification of related gains and losses on our Consolidated Statements of Operations:

Derivative Type	Hedged Risk	Classification of Gains and Losses
Fuel hedge contracts	Increases in jet fuel prices	Aircraft fuel and related taxes
Interest rate contracts	Increases in interest rates	Interest expense, net
Foreign currency exchange contracts	Fluctuations in foreign currency exchange rates	Passenger revenue

The following table summarizes the accounting treatment of our derivative contracts:

Accounting Designation	Impact of Unrealized Gains and Losses	
	Effective Portion	Ineffective Portion
Not designated as hedges	Change in fair value of hedge is recorded in earnings	
Designated as cash flow hedges	Market adjustments are recorded in AOCI	Excess, if any, over effective portion of hedge is recorded in other expense
Designated as fair value hedges	Market adjustments are recorded in long-term debt and capital leases	Excess, if any, over effective portion of hedge is recorded in other expense

We perform, at least quarterly, an assessment of the effectiveness of our derivative contracts designated as hedges, including assessing the possibility of counterparty default. If we determine that a derivative is no longer expected to be highly effective, we discontinue hedge accounting prospectively and recognize subsequent changes in the fair value of the hedge in earnings. We believe our derivative contracts that continue to be designated as hedges, consisting of interest rate and foreign currency exchange contracts, will continue to be highly effective in offsetting changes in fair value or cash flow, respectively, attributable to the hedged risk.

Hedge Margin. In accordance with our fuel, interest rate and foreign currency hedge contracts, we may require counterparties to fund the margin associated with our gain position and/or counterparties may require us to fund the margin associated with our loss position on these contracts. The amount of the margin, if any, is periodically adjusted based on the fair value of the hedge contracts. The margin requirements are intended to mitigate a party's exposure to the risk of contracting party default. We do not offset margin funded to counterparties or margin funded to us by counterparties against fair value amounts recorded for our hedge contracts.

The hedge margin we receive from counterparties is recorded in cash and cash equivalents or prepaid expenses and other, with the offsetting obligation in accounts payable. The hedge margin we provide to counterparties is recorded in hedge margin receivable. All cash flows associated with purchasing and settling hedge contracts are classified as operating cash flows.

Passenger Tickets

We record sales of passenger tickets in air traffic liability. Passenger revenue is recognized when we provide transportation or when the ticket expires unused, reducing the related air traffic liability. We periodically evaluate the estimated air traffic liability and record any adjustments in our Consolidated Statements of Operations. These adjustments relate primarily to refunds, exchanges, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

Passenger Taxes and Fees

We are required to charge certain taxes and fees on our passenger tickets, including U.S. federal transportation taxes, federal security charges, airport passenger facility charges and foreign arrival and departure taxes. These taxes and fees are assessments on the customer for which we act as a collection agent. Because we are not entitled to retain these taxes and fees, we do not include such amounts in passenger revenue. We record a liability when the amounts are collected and reduce the liability when payments are made to the applicable government agency or operating carrier.

Frequent Flyer Program

Our frequent flyer program (the "SkyMiles Program") offers incentives to travel on Delta. This program allows customers to earn mileage credits by flying on Delta, regional air carriers with which we have contract carrier agreements and airlines that participate in the SkyMiles Program, as well as through participating companies such as credit card companies, hotels and car rental agencies. We sell mileage credits to non-airline businesses, customers and other airlines. Effective January 1, 2015, the SkyMiles program was modified from a model in which customers earn redeemable mileage credits based on distance traveled to a model based on ticket price. This award change did not affect the way we account for the program.

The SkyMiles Program includes two types of transactions that are considered revenue arrangements with multiple deliverables. As discussed below, these are (1) passenger ticket sales earning mileage credits and (2) the sale of mileage credits to participating companies with which we have marketing agreements. Mileage credits are a separate unit of accounting as they can be redeemed by customers in future periods for air travel on Delta and participating airlines, membership in our Sky Club and other program awards.

Passenger Ticket Sales Earning Mileage Credits. Passenger ticket sales earning mileage credits under our SkyMiles Program provide customers with two deliverables: (1) mileage credits earned and (2) air transportation. We value each deliverable on a standalone basis. Our estimate of the selling price of a mileage credit is based on an analysis of our sales of mileage credits to other airlines and customers, which is re-evaluated at least annually. We use established ticket prices to determine the estimated selling price of air transportation. We allocate the total amount collected from passenger ticket sales between the deliverables based on their relative selling prices.

We defer revenue for the mileage credits related to passenger ticket sales and recognize it as passenger revenue when miles are redeemed and services are provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize these amounts in passenger revenue when we provide transportation or when the ticket expires unused.

Sale of Mileage Credits. Customers may earn mileage credits through participating companies such as credit card companies, hotels and car rental agencies with which we have marketing agreements to sell mileage credits. Our contracts to sell mileage credits under these marketing agreements have multiple deliverables, as defined below.

Our most significant contract to sell mileage credits relates to our co-brand credit card relationship with American Express. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("Cardholders") and American Express Membership Rewards Program participants and allow American Express to market using our customer database. Cardholders earn mileage credits for making purchases using co-branded cards, may check their first bag for free, are granted access to Delta SkyClub lounges and receive other benefits while traveling on Delta. These benefits that we provide in the form of separate products and services under the SkyMiles agreements are referred to as "deliverables." Additionally, participants in the American Express Membership Rewards program may exchange their points for mileage credits under the SkyMiles Program. As a result, we sell mileage credits at agreed upon rates to American Express for provision to their customers under the co-brand credit card program and the Membership Rewards program.

In December 2014, we amended our marketing agreements with American Express which increased the value we will receive under the agreements and extended the term to 2022. The amended agreements became effective January 1, 2015. The deliverables under the amended agreements are substantially similar to the previous agreement. We will account for the amended agreements consistent with the accounting method adopted in September 2013 that allocates the consideration received to the individual products and services delivered based on their relative selling prices. The increased value received under the amended agreements will increase the amount of deferred revenue for the travel component and increase the value of the other deliverables, which are recognized in other revenue as they are provided.

In September 2013, we modified our marketing agreements with American Express that required us to change the accounting method for recording SkyMiles sold. Under the previous method, the embedded premium or discount was allocated to the residual products or services in a combined transaction. The new method allocates consideration received based on the relative selling price of each product or service. We determined our best estimate of the selling prices by considering discounted cash flow analysis using multiple inputs and assumptions, including: (1) the expected number of miles awarded and number of miles redeemed, (2) the rate at which we sell mileage credits to other airlines, (3) published rates on our website for baggage fees, access to Delta Sky Club lounges and other benefits while traveling on Delta and (4) brand value. The impact of adopting the relative selling price method re-allocated a portion of the embedded discount to the travel component, lowering the deferral rate we use to record miles sold under the agreements and increasing revenue recognized on the remaining deliverables.

We recognize revenue as we deliver each sales element. We defer the travel deliverable (miles) as part of frequent flyer deferred revenue and recognize passenger revenue as the mileage credits are used for travel. The revenue allocated to the remaining deliverables is recorded in other revenue. We recognize the revenue for these services as they are performed.

Breakage. For mileage credits that we estimate are not likely to be redeemed ("breakage"), we recognize the associated value proportionally during the period in which the remaining mileage credits are expected to be redeemed. Management uses statistical models to estimate breakage based on historical redemption patterns. A change in assumptions as to the period over which mileage credits are expected to be redeemed, the actual redemption activity for mileage credits or the estimated fair value of mileage credits expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years.

Regional Carriers Revenue

We have contract carrier agreements with third-party regional carriers ("Contract Carriers"), in addition to our wholly-owned subsidiary, Endeavor. In May 2013, Endeavor emerged from bankruptcy and we became its sole owner pursuant to a confirmed plan of reorganization. Our wholly-owned subsidiary, Comair, Inc. ("Comair") ceased operations in September 2012 (see Note 17).

Our Contract Carrier agreements are structured as either (1) capacity purchase agreements where we purchase all or a portion of the Contract Carrier's capacity and are responsible for selling the seat inventory we purchase or (2) revenue proration agreements, which are based on a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries. We record revenue related to all of our Contract Carrier agreements as regional carriers passenger revenue. We record expenses related to our Contract Carrier agreements, as regional carrier expense.

Cargo Revenue

Cargo revenue is recognized when we provide the transportation.

Other Revenue

Other revenue is primarily comprised of (1) the non-travel components of the sale of mileage credits discussed above, (2) baggage fee revenue, (3) other miscellaneous service revenue, including ticket change fees, (4) revenue from ancillary businesses, such as the aircraft maintenance and repair and staffing services we provide to third parties and (5) the sale of certain non-jet fuel products by our refinery to third parties.

Long-Lived Assets

The following table summarizes our property and equipment:

(in millions, except for estimated useful life)	Estimated Useful Life	December 31,	
		2014	2013
Flight equipment	21-30 years	\$ 24,313	\$ 23,373
Ground property and equipment	3-40 years	5,198	4,596
Flight and ground equipment under capital leases	Shorter of lease term or estimated useful life	1,141	1,296
Advance payments for equipment		617	381
Less: accumulated depreciation and amortization ⁽¹⁾		(9,340)	(7,792)
Total property and equipment, net		\$ 21,929	\$ 21,854

⁽¹⁾ Includes accumulated amortization for flight and ground equipment under capital leases in the amount of \$767 million and \$657 million at December 31, 2014 and 2013, respectively.

We record property and equipment at cost and depreciate or amortize these assets on a straight-line basis to their estimated residual values over their estimated useful lives. The estimated useful life for leasehold improvements is the shorter of lease term or estimated useful life. Depreciation and amortization expense related to our property and equipment was \$1.7 billion, \$1.6 billion and \$1.5 billion for each of the years ended December 31, 2014, 2013 and 2012, respectively. Residual values for owned aircraft, engines, spare parts and simulators are generally 5% to 10% of cost.

We capitalize certain internal and external costs incurred to develop and implement software, and amortize those costs over an estimated useful life of three to seven years. Included in the depreciation and amortization expense discussed above, we recorded \$129 million, \$110 million and \$76 million for amortization of capitalized software for the years ended December 31, 2014, 2013 and 2012, respectively. The net book value of these assets totaled \$411 million and \$383 million at December 31, 2014 and 2013, respectively.

We record impairment losses on flight equipment and other long-lived assets used in operations when events and circumstances indicate the assets may be impaired and the estimated future cash flows generated by those assets are less than their carrying amounts. Factors which could cause impairment include, but are not limited to, (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For long-lived assets held for sale, we discontinue depreciation and record impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

To determine whether impairments exist for aircraft used in operations, we group assets at the fleet-type level (the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel costs, labor costs and other relevant factors. If an impairment occurs, the impairment loss recognized is the amount by which the fleet's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available.

Goodwill and Other Intangible Assets

Our goodwill and identifiable intangible assets relate to the airline segment. We apply a fair value-based impairment test to the carrying value of goodwill and indefinite-lived intangible assets on an annual basis (as of October 1) and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. We assess the value of our goodwill and indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including the key assumptions listed below. We analyze these factors to determine if events and circumstances have affected the fair value of goodwill and indefinite-lived intangible assets. If we determine that it is more likely than not that the asset may be impaired, we use the quantitative approach to assess the asset's fair value and the amount of the impairment. Under a quantitative approach, we calculate the fair value of the asset using the key assumptions listed below. If the asset's carrying value exceeds its fair value calculated using the quantitative approach, we will record an impairment charge for the difference in fair value and carrying value.

We value goodwill and indefinite-lived intangible assets primarily using market capitalization and income approach valuation techniques. These measurements include the following key assumptions: (1) forecasted revenues, expenses and cash flows, (2) terminal period revenue growth and cash flows, (3) an estimated weighted average cost of capital, (4) assumed discount rates depending on the asset and (5) a tax rate. These assumptions are consistent with those hypothetical market participants would use. Since we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates.

Changes in certain events and circumstances could result in impairment. Factors which could cause impairment include, but are not limited to, (1) negative trends in our market capitalization, (2) reduced profitability resulting from lower passenger mile yields or higher input costs (primarily related to fuel and employees), (3) lower passenger demand as a result of weakened U.S. and global economies, (4) interruption to our operations due to a prolonged employee strike, terrorist attack, or other reasons, (5) changes to the regulatory environment (e.g., diminished slot restrictions or additional Open Skies agreements), (6) competitive changes by other airlines and (7) strategic changes to our operations leading to diminished utilization of the intangible assets.

Goodwill. In evaluating goodwill for impairment, we estimate the fair value of our reporting unit by considering market capitalization and other factors if it is more likely than not that the fair value of our reporting unit is less than its carrying value. If the reporting unit's fair value exceeds its carrying value, no further testing is required. If, however, the reporting unit's carrying value exceeds its fair value, we then determine the amount of the impairment charge, if any. We recognize an impairment charge if the carrying value of the reporting unit's goodwill exceeds its estimated fair value.

Identifiable Intangible Assets. Indefinite-lived assets are not amortized and consist of routes, slots, the Delta tradename and assets related to SkyTeam. Definite-lived intangible assets consist primarily of marketing agreements and are amortized on a straight-line basis or under the undiscounted cash flows method over the estimated economic life of the respective agreements. Costs incurred to renew or extend the term of an intangible asset are expensed as incurred.

We assess our indefinite-lived assets under a qualitative or quantitative approach. We analyze market factors to determine if events and circumstances have affected the fair value of the indefinite-lived intangible assets. If we determine that it is more likely than not that the asset value may be impaired, we use the quantitative approach to assess the asset's fair value and the amount of the impairment. We perform the quantitative impairment test for indefinite-lived intangible assets by comparing the asset's fair value to its carrying value. Fair value is estimated based on (1) recent market transactions, where available, (2) a combination of limited market transactions and the lease savings method for certain airport slots (which reflects potential lease savings from owning the slots rather than leasing them from another airline at market rates), (3) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (4) projected discounted future cash flows (an income approach). We recognize an impairment charge if the asset's carrying value exceeds its estimated fair value.

Income Taxes

We account for deferred income taxes under the liability method. We recognize deferred tax assets and liabilities based on the tax effects of temporary differences between the financial statement and tax basis of assets and liabilities, as measured by current enacted tax rates. Deferred tax assets and liabilities are recorded net as current and noncurrent deferred income taxes. A valuation allowance is recorded to reduce deferred tax assets when necessary. For additional information about our income taxes, see Note 13 .

Manufacturers' Credits

We periodically receive credits in connection with the acquisition of aircraft and engines. These credits are deferred until the aircraft and engines are delivered, and then applied as a reduction to the cost of the related equipment.

Maintenance Costs

We record maintenance costs to aircraft maintenance materials and outside repairs. Maintenance costs are expensed as incurred, except for costs incurred under power-by-the-hour contracts, which are expensed based on actual hours flown. Power-by-the-hour contracts transfer certain risk to third-party service providers and fix the amount we pay per flight hour to the service provider in exchange for maintenance and repairs under a predefined maintenance program. Modifications that enhance the operating performance or extend the useful lives of airframes or engines are capitalized and amortized over the remaining estimated useful life of the asset or the remaining lease term, whichever is shorter.

Advertising Costs

We expense advertising costs as other selling expenses in the year incurred. Advertising expense was approximately \$200 million for the years ended December 31, 2014 , 2013 and 2012 , respectively.

Commissions

Passenger sales commissions are recognized in operating expense when the related revenue is recognized.

NOTE 2 . SEGMENTS

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, and is used in resource allocation and performance assessments. Our chief operating decision maker is considered to be our executive leadership team. Our executive leadership team regularly reviews discrete information for our two operating segments, which are determined by the products and services provided: our airline segment and our refinery segment.

Our airline segment is managed as a single business unit that provides scheduled air transportation for passengers and cargo throughout the United States and around the world and other ancillary airline services, including maintenance and repair services for third parties. This allows us to benefit from an integrated revenue pricing and route network. Our flight equipment forms one fleet, which is deployed through a single route scheduling system. When making resource allocation decisions, our chief operating decision maker evaluates flight profitability data, which considers aircraft type and route economics, but gives no weight to the financial impact of the resource allocation decision on an individual carrier basis. Our objective in making resource allocation decisions is to optimize our consolidated financial results.

Our refinery segment provides jet fuel to the airline segment from its own production and through jet fuel obtained through agreements with third parties. Our refinery segment operates for the benefit of the airline segment.

Refinery Operations

Fuel expense is our single largest expense. In June 2012 , we purchased an oil refinery as part of our strategy to mitigate the increasing cost of the refining margin we pay. At that time, global demand for jet fuel and related products had increased while jet fuel refining capacity had decreased in the U.S. (particularly in the Northeast), resulting in increases in the refining margin reflected in the prices we paid for jet fuel. Our wholly-owned subsidiaries, Monroe Energy, LLC, and MIPC, LLC (collectively, “Monroe”), acquired the Trainer refinery and related assets located near Philadelphia, Pennsylvania, from Phillips 66, which had shut down operations at the refinery. Monroe invested \$180 million to acquire the refinery. Monroe received a \$30 million grant from the Commonwealth of Pennsylvania. The acquisition included pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.

We accounted for the refinery acquisition as a business combination. The refinery, pipelines and terminal assets acquired were recorded at \$180 million in property and equipment, net based on their respective fair values on the closing date of the transaction.

The refinery's production consists of jet fuel, as well as non-jet fuel products. We use several counterparties to exchange the non-jet fuel products produced by the refinery for jet fuel consumed in our airline operations. The gross fair value of the products exchanged under these agreements during the years ended December 31, 2014 , 2013 and 2012 was \$5.1 billion , \$5.4 billion and \$ 1.1 billion , respectively.

Segment Reporting

Segment results are prepared based on our internal accounting methods described below, with reconciliations to consolidated amounts in accordance with GAAP. Our segments are not designed to measure operating income or loss directly related to the products and services included in each segment on a stand-alone basis.

(in millions)	Airline	Refinery	Intersegment Sales/Other	Consolidated
Year Ended December 31, 2014				
Operating revenue:	\$ 40,217	\$ 6,959		\$ 40,362
Sales to airline segment			\$ (1,313) ⁽¹⁾	
Exchanged products			(5,104) ⁽²⁾	
Sales of refined products to third parties			(397) ⁽³⁾	
Operating income ⁽⁴⁾	2,110	96		2,206
Interest expense, net	650	—		650
Depreciation and amortization	1,745	26		1,771
Total assets, end of period	53,012	1,109		54,121
Capital expenditures	2,184	65		2,249
Year Ended December 31, 2013				
Operating revenue:	\$ 37,773	\$ 7,003		\$ 37,773
Sales to airline segment			\$ (1,156) ⁽¹⁾	
Exchanged products			(5,352) ⁽²⁾	
Sales of refined products to third parties			(495) ⁽³⁾	
Operating income (loss) ⁽⁴⁾	3,516	(116)		3,400
Interest expense, net	852	—		852
Depreciation and amortization	1,641	17		1,658
Total assets, end of period	51,080	1,172		52,252
Capital expenditures	2,516	52		2,568
Year Ended December 31, 2012				
Operating revenue:	\$ 36,670	\$ 1,347		\$ 36,670
Sales to airline segment			\$ (213) ⁽¹⁾	
Exchanged products			(1,121) ⁽²⁾	
Sales of refined products to third parties			(13) ⁽³⁾	
Operating income (loss) ⁽⁴⁾	2,238	(63)		2,175
Interest expense, net	1,005	—		1,005
Depreciation and amortization	1,561	4		1,565
Total assets, end of period	43,386	1,164		44,550
Capital expenditures	1,637	331		1,968

⁽¹⁾ Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price by reference to the market index for the primary delivery location, which is New York Harbor, for jet fuel from the refinery.

⁽²⁾ Represents value of products delivered under our strategic agreements, as discussed above, determined on a market price basis.

⁽³⁾ Represents sales of refined products to third parties. These sales were at or near cost; accordingly, the margin on these sales is de minimis.

⁽⁴⁾ Includes the impact of pricing arrangements between the airline segment and refinery segment with respect to the refinery's inventory price risk.

NOTE 3 . FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability.

- *Level 1*. Observable inputs such as quoted prices in active markets;
- *Level 2*. Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3*. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on the valuation techniques identified in the tables below. The valuation techniques are as follows:

- (a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities; and
- (b) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

Assets (Liabilities) Measured at Fair Value on a Recurring Basis ⁽¹⁾

(in millions)	December 31, 2014	Level 1	Level 2	Valuation Technique
Cash equivalents	\$ 1,612	\$ 1,612	\$ —	(a)
Short-term investments				
U.S. government and agency securities	59	—	59	(a)
Asset- and mortgage-backed securities	392	—	392	(a)
Corporate obligations	749	—	749	(a)
Other fixed income securities	17	—	17	(a)
Restricted cash equivalents and investments	37	37	—	(a)
Long-term investments	118	90	28	(a)(b)
Hedge derivatives, net				
Fuel hedge contracts	(1,848)	(167)	(1,681)	(a)(b)
Interest rate contracts	(7)	—	(7)	(a)(b)
Foreign currency exchange contracts	73	—	73	(a)

(in millions)	December 31, 2013	Level 1	Level 2	Valuation Technique
Cash equivalents	\$ 2,487	\$ 2,487	\$ —	(a)
Short-term investments				
U.S. government securities	959	959	—	(a)
Restricted cash equivalents and investments	118	118	—	(a)
Long-term investments	109	80	29	(a)(b)
Hedge derivatives, net				
Fuel hedge contracts	314	16	298	(a)(b)
Interest rate contracts	(67)	—	(67)	(a)(b)
Foreign currency exchange contracts	257	—	257	(a)

⁽¹⁾ See Note 11, “Employee Benefit Plans,” for fair value of benefit plan assets.

Cash Equivalents and Restricted Cash Equivalents and Investments. Cash equivalents generally consist of money market funds. Restricted cash equivalents and investments primarily support letters of credit that relate to certain projected self-insurance obligations and airport commitments and generally consist of money market funds and time deposits. The fair value of these investments is based on a market approach using prices and other relevant information generated by market transactions involving identical or comparable assets.

Short-Term Investments. Short-term investments generally consist of U.S. government and agency securities, asset- and mortgage-backed securities, corporate obligations and other fixed income securities. The U.S. government securities designated as held-to-maturity are recorded at cost, which approximates fair value, while those that are designated as available-for-sale are valued based on quoted market prices. The fair values of our U.S. government agency securities, asset- and mortgage-backed securities, corporate obligations and other fixed term securities are based on a market approach using industry standard valuation techniques that incorporate observable inputs such as quoted interest rates, benchmark curves, credit ratings of the security and other observable information.

Long-Term Investments. Our long-term investments that are measured at fair value primarily consist of equity investments in Grupo Aeroméxico, S.A.B. de C.V., the parent company of Aeroméxico, and GOL Linhas Aéreas Inteligentes, S.A, the parent company of GOL. Shares of the parent companies of Aeroméxico and GOL are traded on public exchanges and we have valued our investments based on quoted market prices. The investments are classified in other noncurrent assets.

Hedge Derivatives. Our derivative contracts are generally negotiated with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk).

- *Fuel Contracts.* Our fuel hedge portfolio consists of options, swaps and futures. The hedge contracts include crude oil, diesel fuel and jet fuel, as these commodities are highly correlated with the price of jet fuel that we consume. Option contracts are valued under an income approach using option pricing models based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. Volatilities used in these valuations ranged from 26% to 57% depending on the maturity dates, underlying commodities and strike prices of the option contracts. Swap contracts are valued under an income approach using a discounted cash flow model based on data either readily observable or derived from public markets. Discount rates used in these valuations vary with the maturity dates of the respective contracts and are based on LIBOR. Futures contracts and options on futures contracts are traded on a public exchange and valued based on quoted market prices.
- *Interest Rate Contracts.* Our interest rate derivatives consist of swap contracts and are valued primarily based on data readily observable in public markets.
- *Foreign Currency Exchange Contracts.* Our foreign currency derivatives consist of Japanese yen and Canadian dollar forward contracts and are valued based on data readily observable in public markets.

NOTE 4 . INVESTMENTS

Short-Term Investments

During the September 2014 quarter, we modified our approach to managing short-term investments by investing \$1.5 billion of cash reserves in externally managed investment accounts. These new investments are comprised of U.S. government and agency securities, asset- and mortgage-backed securities, corporate obligations and other fixed term securities.

Maturities for Short-Term Investments

The estimated fair values of short-term investments, which approximate cost at December 31, 2014, are shown below by contractual maturity. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to retire our investments without prepayment penalties.

(in millions)	Available- For-Sale
December 31, 2014	
Due in one year or less	\$ 175
Due after one year through three years	791
Due after three years through five years	163
Due after five years	88
Total	\$ 1,217

Other Investments

Endeavor

In May 2013, Endeavor emerged from bankruptcy and we became its sole owner pursuant to a confirmed plan of reorganization. Consideration for our acquisition of Endeavor totaled \$30 million, primarily consisting of previous loans and advances we made to Endeavor. The primary assets acquired and liabilities assumed related to 16 CRJ-900 aircraft with a fair value of \$270 million and related debt of \$240 million on the date of acquisition. These aircraft and 169 other aircraft leased by Endeavor were already in service to Delta; accordingly, our total regional carrier fleet was unaffected by the acquisition.

Virgin Atlantic

In June 2013, we purchased a non-controlling 49% equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways, for \$360 million. In addition, we entered into a collaborative arrangement with Virgin Atlantic on non-stop routes between the United Kingdom and North America. In September 2013, the U.S. Department of Transportation ("DOT") granted antitrust immunity on these routes. Effective January 1, 2014, we began our immunized collaborative arrangement, which allows for joint marketing and sales, coordinated pricing and revenue management, networking planning and scheduling and other coordinated activities with respect to operations on routes between North America and the United Kingdom. As a result of this relationship, our customers have increased access and frequencies to London's Heathrow airport from points in the U.S., primarily from our hub at New York's JFK airport.

We account for the investment under the equity method of accounting and recognize our portion of Virgin Atlantic's financial results in other expense in our Consolidated Statements of Operations. As part of the equity method of accounting, we allocated the investment in Virgin Atlantic to (1) our portion of their equity, (2) adjustments in the fair market value of assets and liabilities and (3) implied goodwill. Our share of Virgin Atlantic's equity was approximately \$60 million; accordingly, the majority of the allocation was to the fair value of indefinite-lived intangible assets and implied goodwill.

NOTE 5 . DERIVATIVES AND RISK MANAGEMENT

Changes in aircraft fuel prices, interest rates and foreign currency exchange rates impact our results of operations. In an effort to manage our exposure to these risks, we enter into derivative contracts and adjust our derivative portfolio as market conditions change.

Aircraft Fuel Price Risk

Changes in aircraft fuel prices materially impact our results of operations. We actively manage our fuel price risk through a hedging program intended to reduce the financial impact from changes in the price of jet fuel. We utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We rebalance the hedge portfolio from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates. During the years ended December 31, 2014 and 2013, we recorded a \$2.0 billion fuel hedge loss and a \$493 million fuel hedge gain, respectively.

Interest Rate Risk

Our exposure to market risk from adverse changes in interest rates is primarily associated with our long-term debt obligations. Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates.

In an effort to manage our exposure to the risk associated with our variable rate long-term debt, we periodically enter into interest rate swaps. We designate interest rate contracts used to convert the interest rate exposure on a portion of our debt portfolio from a floating rate to a fixed rate as cash flow hedges, while those contracts converting our interest rate exposure from a fixed rate to a floating rate are designated as fair value hedges. During 2014, we terminated our remaining interest rate swap agreements designated as cash flow hedges in connection with the extinguishment of the underlying debt.

We also have exposure to market risk from adverse changes in interest rates associated with our cash and cash equivalents and benefit plan obligations. Market risk associated with our cash and cash equivalents relates to the potential decline in interest income from a decrease in interest rates. Pension, postretirement, postemployment, and worker's compensation obligation risk relates to the potential increase in our future obligations and expenses from a decrease in interest rates used to discount these obligations.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange rate risk because we have revenue and expense denominated in foreign currencies with our primary exposures being the Japanese yen and Canadian dollar. To manage exchange rate risk, we execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. From time to time, we may also enter into foreign currency option and forward contracts. These foreign currency exchange contracts are designated as cash flow hedges.

During the December 2014 quarter, we restructured certain foreign currency exchange contracts by re-hedging exposures at current market levels, resulting in an unrealized gain of \$150 million. The gain on these contracts will be recognized during 2015 in accordance with their original contract settlement dates.

Hedge Position as of December 31, 2014

(in millions)	Notional Balance			Final Maturity Date	Hedge Derivatives Asset	Other Noncurrent Assets	Hedge Derivatives Liability	Other Noncurrent Liabilities	Hedge Derivatives, net					
Designated as hedges														
Interest rate contracts (fair value hedges)	\$	416	U.S. dollars	August 2022	5	—	—	(12)	(7)					
Foreign currency exchange contracts		77,576	Japanese yen	October 2017	25	49	(1)	—	73					
		511	Canadian dollars											
Not designated as hedges														
Fuel hedge contracts		8,604	gallons - crude oil, diesel and jet fuel	December 2016	1,048	3	(2,771)	(128)	(1,848)					
Total derivative contracts					\$	1,078	\$	52	\$	(2,772)	\$	(140)	\$	(1,782)

Hedge Position as of December 31, 2013

(in millions)	Notional Balance			Final Maturity Date	Hedge Derivatives Asset	Other Noncurrent Assets	Hedge Derivatives Liability	Other Noncurrent Liabilities	Hedge Derivatives, net					
Designated as hedges														
Interest rate contracts (cash flow hedges)	\$	477	U.S. dollars	May 2019	\$	—	\$	—	\$	(17)	\$	(26)	\$	(43)
Interest rate contract (fair value hedge)	\$	445	U.S. dollars	August 2022		—		—	(2)	(22)	(24)			
Foreign currency exchange contracts		120,915	Japanese yen	August 2016		157		100	—	—	257			
		438	Canadian dollars											
Not designated as hedges														
Fuel hedge contracts		5,318	gallons - crude oil, diesel and jet fuel	March 2015		428		29	(127)	(16)	314			
Total derivative contracts					\$	585	\$	129	\$	(146)	\$	(64)	\$	504

Offsetting Assets and Liabilities

We have master netting arrangements with all of our counterparties giving us the right of setoff. We have elected not to offset the fair value positions recorded on our Consolidated Balance Sheets. The following table shows the potential net fair value positions had we elected to offset.

(in millions)	Hedge Derivatives Asset	Other Noncurrent Assets	Hedge Derivatives Liability	Other Noncurrent Liabilities	Hedge Derivatives, Net
December 31, 2014					
Net derivative contracts	\$ 29	\$ 49	\$ (1,723)	\$ (137)	\$ (1,782)
December 31, 2013					
Net derivative contracts	\$ 456	\$ 116	\$ (19)	\$ (49)	\$ 504

Designated Hedge Gains (Losses)

Gains (losses) related to our designated hedge contracts are as follows:

(in millions)	Effective Portion Reclassified from AOCI to Earnings			Effective Portion Recognized in Other Comprehensive Income (Loss)		
	Year Ended December 31,					
	2014	2013	2012	2014	2013	2012
Fuel hedge contracts	\$ —	\$ —	\$ 15	\$ —	\$ —	\$ (15)
Interest rate contracts	(31)	—	(5)	38	28	14
Foreign currency exchange contracts	158	135	(25)	(34)	133	212
Total designated	\$ 127	\$ 135	\$ (15)	\$ 4	\$ 161	\$ 211

As of December 31, 2014, we have recorded \$174 million of net gains on cash flow hedge contracts in AOCI, which are scheduled to settle and be reclassified into earnings within the next 12 months.

Credit Risk

To manage credit risk associated with our aircraft fuel price, interest rate and foreign currency hedging programs, we evaluate counterparties based on several criteria including their credit ratings and limit our exposure to any one counterparty.

Our hedge contracts contain margin funding requirements. The margin funding requirements may cause us to post margin to counterparties or may cause counterparties to post margin to us as market prices in the underlying hedged items change. Due to the fair value position of our hedge contracts, we posted net margin of \$925 million as of December 31, 2014 and received net margin of \$65 million as of December 31, 2013 .

Our accounts receivable are generated largely from the sale of passenger airline tickets and cargo transportation services, the majority of which are processed through major credit card companies. We also have receivables from the sale of mileage credits under our SkyMiles Program to participating airlines and non-airline businesses such as credit card companies, hotels and car rental agencies. The credit risk associated with our receivables is minimal.

Self-Insurance Risk

We self-insure a portion of our losses from claims related to workers' compensation, environmental issues, property damage, medical insurance for employees and general liability. Losses are accrued based on an estimate of the aggregate liability for claims incurred, using independent actuarial reviews based on standard industry practices and our historical experience.

NOTE 6 . JFK REDEVELOPMENT

We are optimizing our international and trans-continental flight schedule and undertaking a redevelopment project at John F. Kennedy International Airport ("JFK") to facilitate convenient connections for our passengers and improve coordination with our SkyTeam alliance partners. Prior to beginning the redevelopment project, we primarily operated domestic flights out of Terminal 2 and international flights out of Terminal 3 under leases with the Port Authority of New York and New Jersey ("Port Authority"), which operates JFK. In 2013, we completed construction on nine new international widebody gates at Terminal 4, Concourse B, and relocated our operations from Terminal 3 to our new facilities there. In 2014, we substantially completed the demolition of Terminal 3 and began work on the site for ramp paving in order to accommodate new aircraft parking. During 2013, we also announced that we would begin construction of another extension of Terminal 4, Concourse B, for an additional \$180 million expansion project that added 11 more regional jet gates. This second extension was completed in January 2015 when we relocated the majority of our regional jet operations from Terminal 2 to Terminal 4. Terminal 4 is operated by JFK International Air Terminal LLC ("IAT"), a private party, under its lease with the Port Authority.

In December 2010, the Port Authority issued approximately \$800 million principal amount of special project bonds to fund the majority of the project. Also in December 2010, we entered into a 33 year agreement with IAT ("Sublease") to sublease space in Terminal 4. IAT is unconditionally obligated under its lease with the Port Authority to pay rentals from the revenues it receives from its operation and management of Terminal 4, including, among others, our rental payments under the Sublease, in an amount sufficient to pay principal and interest on the bonds. We do not guarantee payment of the bonds. The balance of the project costs will be provided by Port Authority passenger facility charges, Transportation Security Administration funding and our contributions. Our future rental payments will vary based on our share of total passenger and baggage counts at Terminal 4, the number of gates we occupy in Terminal 4, IAT's actual expenses of operating Terminal 4 and other factors.

We are responsible for the management and construction of the project and bear construction risk, including cost overruns. We record an asset for project costs as construction takes place, regardless of funding source. These costs include design fees, labor and construction permits, as well as physical construction costs such as paving, systems, utilities and other costs generally associated with construction projects. The project will also include capitalized interest, based on amounts we spend, calculated based on our weighted average incremental borrowing rate. The related construction obligation is recorded as a liability and is equal to project costs funded by parties other than us. Future rental payments will reduce the construction obligation and result in the recording of interest expense, calculated using the effective interest method. During the construction period, we are also incurring costs for construction site ground rental expense and remediation and abatement activities, which are expensed as incurred. As of December 31, 2014, we have recorded \$739 million as a fixed asset, as if we owned the asset, and \$733 million as the related construction obligation.

We have an equity-method investment in the entity which owns IAT, our sublessor at Terminal 4. The Sublease requires us to pay certain fixed management fees. We determined the investment is a variable interest and assessed whether we have a controlling financial interest in IAT. Our rights under the Sublease, with respect to management of Terminal 4, are consistent with rights granted to an anchor tenant under a standard airport lease. Accordingly, we do not consolidate the entity in which we have an investment in our Consolidated Financial Statements.

NOTE 7. INTANGIBLE ASSETS

Indefinite-Lived Intangible Assets

(in millions)	Carrying Amount at December 31,	
	2014	2013
International routes and slots	\$ 2,287	\$ 2,287
Delta tradename	850	850
SkyTeam related assets	661	661
Domestic slots	622	622
Total	\$ 4,420	\$ 4,420

International Routes and Slots. Our international routes and slots are indefinite-lived intangible assets and primarily relate to Pacific route authorities and slots at Tokyo-Narita International Airport ("Narita"). This intangible asset supports Delta's Narita hub activities and is essential to Delta's Pacific network.

Domestic Slots. Our domestic slots are indefinite-lived intangible assets and relate to our slots at Washington-Reagan National and New York-LaGuardia airports.

Changes to our operations could result in an impairment charge or a change from indefinite-lived to definite-lived in the period in which the changes occur or are projected to occur.

Definite-Lived Intangible Assets

(in millions)	December 31, 2014		December 31, 2013	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Marketing agreements	\$ 730	\$ (648)	\$ 730	\$ (602)
Contracts	193	(92)	193	(83)
Other	53	(53)	53	(53)
Total	\$ 976	\$ (793)	\$ 976	\$ (738)

Amortization expense was \$55 million for the year ended December 31, 2014 , and approximately \$70 million for each of the years ended December 31, 2013 and 2012 . The following table summarizes the estimated aggregate amortization expense for each of the five succeeding fiscal years:

**Years Ending December 31,
(in millions)**

2015	\$ 18
2016	18
2017	17
2018	17
2019	16

NOTE 8 . LONG-TERM DEBT

The following table summarizes our long-term debt:

(in millions)	Maturity Dates			Interest Rate(s) Per Annum at December 31, 2014			December 31,	
							2014	2013
Pacific Facilities ⁽¹⁾⁽²⁾ :								
Pacific Term Loan B-1 ⁽³⁾	October 2018			3.25%		variable ⁽⁶⁾	\$ 1,078	\$ 1,089
Pacific Term Loan B-2 ⁽³⁾	April 2016			2.41%		variable ⁽⁶⁾	392	396
Pacific Revolving Facility	October 2017			undrawn		variable ⁽⁶⁾	—	—
2011 Credit Facilities ⁽¹⁾⁽⁴⁾ :								
Term Loan Facility ⁽³⁾	April 2017			3.25%		variable ⁽⁶⁾	1,327	1,341
Revolving Credit Facility	April 2016			undrawn		variable ⁽⁶⁾	—	—
Other secured financing arrangements:								
Certificates ⁽⁵⁾⁽⁷⁾	2015	to	2023	4.75%	to	9.75%	3,226	3,834
Aircraft financings ⁽⁵⁾⁽⁷⁾	2015	to	2026	0.62%	to	6.76%	2,988	3,787
Other financings ⁽⁵⁾⁽⁸⁾	2015	to	2031	0.00%	to	5.25%	305	627
Other revolving credit facilities ⁽¹⁾	2015	to	2017	undrawn		variable ⁽⁶⁾	—	—
Total secured debt							9,316	11,074
Other unsecured debt ⁽⁵⁾	2015	to	2035	3.01%	to	9.00%	153	154
Total secured and unsecured debt							9,469	11,228
Unamortized discount, net							(90)	(383)
Total debt							9,379	10,845
Less: current maturities							(1,109)	(1,449)
Total long-term debt							\$ 8,270	\$ 9,396

⁽¹⁾ Guaranteed by substantially all of our domestic subsidiaries (the "Guarantors").

⁽²⁾ Secured by a first lien on our Pacific route authorities and certain related assets.

⁽³⁾ Borrowings must be repaid annually in an amount equal to 1% per year of the original principal amount (paid in equal quarterly installments), with the balance due on the final maturity date.

⁽⁴⁾ Secured by liens on certain of our and the Guarantors' assets, including accounts receivable, flight equipment, ground property and equipment, certain aircraft, spare engines and parts, certain non-Pacific international routes, domestic slots, real estate and certain investments. These assets also secure \$250 million of certain fuel hedging obligations pari passu (i.e., on equal priority) with the term loan and revolver.

⁽⁵⁾ Due in installments.

⁽⁶⁾ Interest rate equal to LIBOR (generally subject to a floor) or another index rate, in each case plus a specified margin. Additionally, certain aircraft and other financings are comprised of variable rate debt.

⁽⁷⁾ Secured by aircraft.

⁽⁸⁾ Primarily includes loans secured by spare parts, spare engines and real estate.

2014 Extinguishment and Financings

Debt Extinguishment. During 2014, we extinguished \$1.6 billion of existing debt under our secured financing arrangements prior to scheduled maturity. We recorded losses of \$268 million in connection with the early extinguishment of these debt obligations. The losses primarily relate to unamortized debt discounts resulting from fair value adjustments recorded in the 2008 purchase accounting of Northwest Airlines.

Aircraft Financings. During 2014, we entered into financing arrangements to borrow \$1.1 billion, which are secured by 34 aircraft, to finance new aircraft and to refinance a portion of the debt extinguished prior to its maturity. These loans bear interest at a variable rate equal to LIBOR plus a specified margin and mature between 2018 and 2026.

Key Financial Covenants

Our credit facilities include affirmative, negative and financial covenants that could restrict our ability to, among other things, make investments, sell or otherwise dispose of collateral if we are not in compliance with the collateral coverage ratio tests described below, pay dividends or repurchase stock. We were in compliance with the covenants in our financing agreements at December 31, 2014.

	Pacific Facilities	2011 Credit Facilities
Minimum fixed charge coverage ratio ⁽¹⁾	1.20:1	1.20:1
Minimum unrestricted liquidity		
Unrestricted cash and permitted investments	n/a	\$1.0 billion
Unrestricted cash, permitted investments and undrawn revolving credit facilities	\$2.0 billion	\$2.0 billion
Minimum collateral coverage ratio ⁽²⁾	1.60:1	1.67:1 ⁽³⁾

⁽¹⁾ Defined as the ratio of (a) earnings before interest, taxes, depreciation, amortization and aircraft rent and other adjustments to net income to (b) the sum of gross cash interest expense (including the interest portion of our capitalized lease obligations) and cash aircraft rent expense, for the 12-month period ending as of the last day of each fiscal quarter.

⁽²⁾ Defined as the ratio of (a) certain of the collateral that meets specified eligibility standards to (b) the sum of the aggregate outstanding obligations and certain other obligations.

⁽³⁾ Excluding the non-Pacific international routes from the collateral for purposes of the calculation, the required minimum collateral coverage ratio is 0.75:1.

Availability Under Revolving Credit Facilities

The table below shows availability under revolving credit facilities, all of which were undrawn, as of December 31, 2014:

(in millions)	
Revolving Credit Facility	\$ 1,225
Pacific Revolving Credit Facility	450
Other revolving credit facilities	228
Total availability under revolving credit facilities	\$ 1,903

Future Maturities

The following table summarizes scheduled maturities of our debt at December 31, 2014:

Years Ending December 31, (in millions)	Total Secured and Unsecured Debt	Amortization of Debt Discount, net
2015	\$ 1,111	\$ (19)
2016	1,326	(21)
2017	2,137	(19)
2018	2,028	(15)
2019	1,158	(12)
Thereafter	1,709	(4)
Total	\$ 9,469	\$ (90) \$ 9,379

Fair Value of Debt

Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. In the table below, the aggregate fair value of debt is based primarily on reported market values, recently completed market transactions and estimates based on interest rates, maturities, credit risk and underlying collateral and is classified primarily as Level 2 within the fair value hierarchy.

(in millions)	December 31,	
	2014	2013
Total debt at par value	\$ 9,469	\$ 11,228
Unamortized discount, net	(90)	(383)
Net carrying amount	\$ 9,379	\$ 10,845
Fair value	\$ 9,800	\$ 11,600

NOTE 9 . LEASE OBLIGATIONS

We lease aircraft, airport terminals, maintenance facilities, ticket offices and other property and equipment from third parties. Rental expense for operating leases, which is recorded on a straight-line basis over the life of the lease term, totaled approximately \$1.2 billion for the year ended December 31, 2014 and \$1.1 billion for the years ended December 31, 2013 and 2012 . Amounts due under capital leases are recorded as liabilities, while assets acquired under capital leases are recorded as property and equipment. Amortization of assets recorded under capital leases is included in depreciation and amortization expense. Our airport terminal leases include contingent rents, which vary based upon: facility usage, enplanements, aircraft weight and other factors. Many of our aircraft, facility and equipment leases include rental escalation clauses and/or renewal options. Our leases do not include residual value guarantees and we are not the primary beneficiary in or have other forms of variable interest with the lessor of the leased assets. As a result, we have not consolidated any of the entities that lease to us.

The following tables summarize, as of December 31, 2014 , our minimum rental commitments under capital leases and noncancelable operating leases (including certain aircraft flown by Contract Carriers) with initial or remaining terms in excess of one year:

Capital Leases

Years Ending December 31, (in millions)	Total
2015	\$ 157
2016	139
2017	97
2018	51
2019	33
Thereafter	42
Total minimum lease payments	519
Less: amount of lease payments representing interest	(121)
Present value of future minimum capital lease payments	398
Less: current obligations under capital leases	(107)
Long-term capital lease obligations	\$ 291

Operating Leases

Years Ending December 31, (in millions)	Delta Lease Payments ⁽¹⁾	Contract Carrier Aircraft Lease Payments ⁽²⁾	Total
2015	\$ 1,363	\$ 344	\$ 1,707
2016	1,187	306	1,493
2017	1,056	267	1,323
2018	881	239	1,120
2019	747	182	929
Thereafter	5,873	296	6,169
Total minimum lease payments	\$ 11,107	\$ 1,634	\$ 12,741

⁽¹⁾ Includes payments accounted for as construction obligations. See Note 6.

⁽²⁾ Represents the minimum lease obligations under our Contract Carrier agreements with Compass Airlines, Inc., ExpressJet Airlines, Inc., GoJet Airlines, LLC, Shuttle America Corporation ("Shuttle America") and SkyWest Airlines, Inc.

NOTE 10 . AMERICAN EXPRESS RELATIONSHIP

General. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("Cardholders") and American Express Membership Rewards Program participants and allow American Express to market using our customer database. Cardholders earn mileage credits for making purchases using co-branded cards, may check their first bag for free, are granted access to Delta Sky Club lounges and receive other benefits while traveling on Delta. These benefits that we provide in the form of separate products and services under the SkyMiles agreements are referred to as "deliverables." Additionally, participants in the American Express Membership Rewards program may exchange their points for mileage credits under the SkyMiles Program. As a result, we sell mileage credits at agreed upon rates to American Express for provision to their customers under the co-brand credit card program and the Membership Rewards program.

During the December 2014 quarter, we amended our agreements with American Express resulting in a modification of the terms of these agreements. The multi-year extended agreements became effective January 1, 2015. Previously, during 2013, we amended our agreements with American Express that modified the products and services provided under the agreements. The amendments changed certain mileage award redemptions and access to Sky Clubs, among other things. For a description of how these amendments changed our accounting, please see Note 1 under Frequent Flyer Program.

Advance Purchase of Restricted SkyMiles. In 2008, we entered into a multi-year extension of our American Express agreements and received \$1.0 billion from American Express for an advance purchase of Restricted SkyMiles (the "prepayment"). The 2008 agreement provided that our obligations with respect to the prepayment would be satisfied as American Express uses the purchased miles over a specified future period ("SkyMiles Usage Period"), rather than by cash payments from us to American Express. Due to the SkyMiles Usage Period and other restrictions placed upon American Express regarding the timing and use of the SkyMiles, we classified the \$1.0 billion prepayment we received as long-term debt.

In 2010, we amended our 2008 American Express agreement. The amendments, among other things, (1) provided that Cardholders could check their first bag for free on every Delta flight through June 2013 ("Baggage Fee Waiver Period"), (2) changed the SkyMiles Usage Period to a three-year period beginning in the December 2011 quarter from a two-year period beginning in the December 2010 quarter and (3) gave American Express the option to extend our agreements with them for one year.

During the SkyMiles Usage Period, American Express was drawing down on the prepayment instead of paying cash to Delta for SkyMiles used. As SkyMiles were used by American Express, we recognized the two separate revenue components of these SkyMiles consistent with our accounting policy discussed in Note 1. In December 2013, we and American Express amended this agreement to allow American Express to use these SkyMiles immediately and without restriction. As a result, in the December 2013 quarter, the remaining \$285 million of the original \$1.0 billion pre-payment was classified as frequent flyer deferred revenue with a portion related to the marketing component recorded within other accrued liabilities. As of December 31, 2014, there was no remaining deferred revenue or other accrued liabilities related to this prepayment.

Annual Sale of Unrestricted SkyMiles. In December 2011, we amended our American Express agreements to sell to American Express \$675 million of unrestricted SkyMiles in each of the four years ending December 31, 2014. The December 2011 amendment also extended the Baggage Fee Waiver Period. The SkyMiles purchased pursuant to the December 2011 amendment may be used immediately by American Express. The usage of these SkyMiles is not restricted in any way. These annual purchases of SkyMiles were recorded as deferred revenue within current liabilities. The portion of each purchase of SkyMiles related to mileage credits redeemable for future travel was classified within frequent flyer deferred revenue and the portion related to the marketing component was classified within other accrued liabilities. The December 2011 amendment did not change the number of miles that we expected American Express to purchase from us over the four-year period; it only impacted the timing of those purchases.

Fuel Card Obligation . In December 2011, we obtained a purchasing card with American Express for the purpose of buying jet fuel and crude oil. The card currently carries a maximum credit limit of \$612 million and must be paid monthly. At December 31, 2014 and December 31, 2013 , we had \$561 million and \$602 million , respectively, outstanding on this purchasing card, which was classified as a fuel card obligation within other accrued liabilities.

NOTE 11 . EMPLOYEE BENEFIT PLANS

We sponsor defined benefit and defined contribution pension plans, healthcare plans and disability and survivorship plans for eligible employees and retirees and their eligible family members.

Defined Benefit Pension Plans. We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. The Pension Protection Act of 2006 allows commercial airlines to elect alternative funding rules (“Alternative Funding Rules”) for defined benefit plans that are frozen. Delta elected the Alternative Funding Rules under which the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate. We estimate the funding under these plans will total at least \$950 million in 2015, including \$340 million of contributions above the minimum funding requirements.

Defined Contribution Pension Plans. Delta sponsors several defined contribution plans. These plans generally cover different employee groups and employer contributions vary by plan. The cost associated with our defined contribution pension plans is shown in the Net Periodic Cost table below.

Postretirement Healthcare Plans. We sponsor healthcare plans that provide benefits to eligible retirees and their dependents who are under age 65 . We have generally eliminated company-paid post age 65 healthcare coverage, except for (1) subsidies available to a limited group of retirees and their dependents and (2) a group of retirees who retired prior to 1987. Benefits under these plans are funded from current assets and employee contributions. During 2012, we remeasured our postretirement healthcare obligation to account for changes to retiree medical benefits resulting from the final integration of wages and benefits following our merger with Northwest Airlines and the voluntary workforce reduction programs offered to eligible employees. As a result, we recorded \$116 million of special termination benefits in restructuring and other items (see Note 17).

Postemployment Plans. We provide certain other welfare benefits to eligible former or inactive employees after employment but before retirement, primarily as part of the disability and survivorship plans. Substantially all employees are eligible for benefits under these plans in the event of death and/or disability.

Benefit Obligations, Fair Value of Plan Assets and Funded Status

(in millions)	Pension Benefits		Other Postretirement and Postemployment Benefits	
	December 31,		December 31,	
	2014	2013	2014	2013
Benefit obligation at beginning of period	\$ 19,060	\$ 21,489	\$ 3,205	\$ 3,582
Service cost	—	—	52	49
Interest cost	928	861	155	143
Actuarial loss (gain)	2,923	(2,212)	338	(301)
Benefits paid, including lump sums and annuities	(1,055)	(1,078)	(307)	(313)
Participant contributions	—	—	44	45
Benefit obligation at end of period ⁽¹⁾	\$ 21,856	\$ 19,060	\$ 3,487	\$ 3,205
Fair value of plan assets at beginning of period	\$ 8,937	\$ 8,196	\$ 1,043	\$ 1,004
Actual gain on plan assets	556	905	57	129
Employer contributions	917	914	160	191
Participant contributions	—	—	44	45
Benefits paid, including lump sums and annuities	(1,055)	(1,078)	(322)	(326)
Fair value of plan assets at end of period	\$ 9,355	\$ 8,937	\$ 982	\$ 1,043
Funded status at end of period	\$ (12,501)	\$ (10,123)	\$ (2,505)	\$ (2,162)

⁽¹⁾ At the end of each year presented, our accumulated benefit obligations for our pension plans are equal to the benefit obligations shown above.

During 2014, net actuarial losses increased our benefit obligation by \$3.3 billion. This increase is primarily due to the decrease in discount rates from 2013 to 2014 and changes in life expectancy assumptions. These losses are recorded in AOCI and reflected in the table below. For additional information about life expectancy assumptions, see “Life Expectancy” below.

Estimated amounts that will be amortized from AOCI into net periodic benefit cost in 2015 are a net actuarial loss of \$230 million. Amounts are generally amortized from AOCI over the expected future lifetime of plan participants.

Balance Sheet Position

(in millions)	Pension Benefits		Other Postretirement and Postemployment Benefits	
	December 31,		December 31,	
	2014	2013	2014	2013
Current liabilities	\$ (28)	\$ (22)	\$ (139)	\$ (139)
Noncurrent liabilities	(12,473)	(10,101)	(2,366)	(2,023)
Total liabilities	\$ (12,501)	\$ (10,123)	\$ (2,505)	\$ (2,162)
Net actuarial loss	\$ (8,409)	\$ (5,349)	\$ (465)	\$ (103)
Prior service credit	—	—	135	161
Total accumulated other comprehensive income (loss), pre-tax	\$ (8,409)	\$ (5,349)	\$ (330)	\$ 58

Net Periodic Cost

(in millions)	Pension Benefits			Other Postretirement and Postemployment Benefits		
	Year Ended December 31,			Year Ended December 31,		
	2014	2013	2012	2014	2013	2012
Service cost	\$ —	\$ —	\$ —	\$ 52	\$ 49	\$ 56
Interest cost	928	861	930	155	143	164
Expected return on plan assets	(829)	(734)	(705)	(84)	(84)	(77)
Amortization of prior service credit	—	—	—	(26)	(26)	(21)
Recognized net actuarial loss	134	221	143	4	25	23
Settlements	—	6	—	—	—	—
Special termination benefits	—	—	—	—	—	116
Net periodic cost	\$ 233	\$ 354	\$ 368	\$ 101	\$ 107	\$ 261
Defined contribution plan costs	551	490	426	—	—	—
Total cost	\$ 784	\$ 844	\$ 794	\$ 101	\$ 107	\$ 261

Assumptions

We used the following actuarial assumptions to determine our benefit obligations and our net periodic cost for the periods presented:

Benefit Obligations ⁽¹⁾⁽²⁾	December 31,	
	2014	2013
Weighted average discount rate	4.14%	5.01%

Net Periodic Cost ⁽²⁾	Year Ended December 31,		
	2014	2013	2012
Weighted average discount rate - pension benefit	4.99%	4.10%	4.95%
Weighted average discount rate - other postretirement benefit ⁽³⁾	4.88%	4.00%	4.63%
Weighted average discount rate - other postemployment benefit	5.00%	4.13%	4.88%
Weighted average expected long-term rate of return on plan assets	8.94%	8.94%	8.94%
Assumed healthcare cost trend rate ⁽⁴⁾	7.00%	7.00%	7.00%

⁽¹⁾ Our 2014 and 2013 benefit obligations are measured using a mortality table projected to 2022 and 2017, respectively.

⁽²⁾ Future compensation levels do not impact our frozen defined benefit pension plans or other postretirement plans and impact only a small portion of our other postemployment liability.

⁽³⁾ Our assumptions reflect various remeasurements of certain portions of our obligations and represent the weighted average of the assumptions used for each measurement date.

⁽⁴⁾ Assumed healthcare cost trend rate at December 31, 2014 is assumed to decline gradually to 5.00% by 2024 and remain level thereafter.

Healthcare Cost Trend Rate. Assumed healthcare cost trend rates have an effect on the amounts reported for the other postretirement benefit plans. A 1% change in the healthcare cost trend rate used in measuring the accumulated plan benefit obligation for these plans, which provide benefits to eligible retirees and their dependents who are under age 65, at December 31, 2014, would have the following effects:

(in millions)	1% Increase	1% Decrease
Increase (decrease) in total service and interest cost	\$ 1	\$ (2)
Increase (decrease) in the accumulated plan benefit obligation	14	(28)

Expected Long-Term Rate of Return. Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan asset assumptions annually. Our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. Our actual historical annualized three and five year rate of return on plan assets for our defined benefit pension plans was approximately 11% and 9% , respectively, as of December 31, 2014 . The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. This is achieved by investing in a globally diversified mix of public and private equity, fixed income, real assets, hedge funds, and other assets and instruments. Our expected long-term rate of return on assets for net periodic pension benefit cost for the year ended December 31, 2014 was 9% .

Life Expectancy . We have historically utilized the Society of Actuaries' ("SOA") published mortality data in developing a best estimate of life expectancy. On October 27, 2014, the SOA published updated mortality tables for U.S. plans and an updated improvement scale, which both reflect improved longevity. Based on an evaluation of these new tables and our perspective of future longevity, we updated the mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations at December 31, 2014 . The improvement in life expectancy increases our benefit obligations and future expense as benefit payments are paid over an extended period of time.

Benefit Payments

Benefit payments in the table below are based on the same assumptions used to measure the related benefit obligations. Actual benefit payments may vary significantly from these estimates. Benefits earned under our pension plans and certain postemployment benefit plans are expected to be paid from funded benefit plan trusts, while our other postretirement benefits are funded from current assets.

The following table summarizes, the benefit payments that are scheduled to be paid in the years ending December 31:

(in millions)	Pension Benefits	Other Postretirement and Postemployment Benefits
2015	\$ 1,124	\$ 278
2016	1,133	272
2017	1,153	265
2018	1,173	256
2019	1,191	257
2020-2024	6,229	1,305

Plan Assets

We have adopted and implemented investment policies for our defined benefit pension plans that incorporate strategic asset allocation mixes intended to best meet the plans' long-term obligations, while maintaining an appropriate level of risk and liquidity. These asset portfolios employ a diversified mix of investments, which are reviewed periodically. Active management strategies are utilized where feasible in an effort to realize investment returns in excess of market indices. Derivatives in the plans are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. As part of these strategies, the plans are required to hold cash collateral associated with certain derivative investments, thus increasing the value of cash equivalents held at December 31, 2014 when compared to December 31, 2013. Investment strategies target a mix of 40 - 50% growth-seeking assets, 20 - 30% income-generating assets and 25 - 30% risk-diversifying assets. Risk diversifying assets include hedged mandates implementing long-short, market neutral and relative value strategies that invest primarily in publicly-traded equity, fixed income, foreign currency and commodity securities and derivatives. Delta has increased the allocation to risk-diversifying strategies to improve the impact of active management on the plans.

Benefit Plan Assets Measured at Fair Value on a Recurring Basis

Benefit Plan Assets. Benefit plan assets relate to our defined benefit pension plans and certain of our postemployment benefit plans that are funded through trusts. The following table shows our benefit plan assets by asset class. These investments are presented net of the related benefit obligation in pension, postretirement and related benefits on the Consolidated Balance Sheets. See Note 3 for a description of the levels within the fair value hierarchy and associated valuation techniques used to measure fair value.

(in millions)	December 31, 2014				December 31, 2013				Valuation Technique
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Equities and equity-related instruments	\$ 699	\$ 1,486	\$ —	\$ 2,185	\$ 1,774	\$ 2,391	\$ —	\$ 4,165	(a)
Fixed income and fixed income-related instruments									
Sovereign fixed income	—	—	—	—	—	45	—	45	(a)(b)
Credit-related fixed income	—	470	124	594	—	525	59	584	(a)(b)
Other fixed income	18	617	—	635	—	870	—	870	(a)(b)
Private equity	—	—	1,213	1,213	—	—	1,366	1,366	(a)(b)
Real assets	—	—	663	663	—	—	688	688	(a)(b)
Hedge funds	31	—	2,214	2,245	—	—	552	552	(a)(b)
Cash equivalents	4	2,428	—	2,432	28	1,582	—	1,610	(a)
Other	—	—	384	384	—	—	—	—	(a)(b)
Total benefit plan assets	\$ 752	\$ 5,001	\$ 4,598	\$ 10,351	\$ 1,802	\$ 5,413	\$ 2,665	\$ 9,880	

Equities and Equity-Related Instruments. Investments include common stock, commingled funds invested in common stock and equity-related instruments. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. Commingled funds are valued using the net asset value divided by the number of shares outstanding, which is based on quoted market prices of the underlying assets owned by the fund. Equity-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

Fixed Income and Fixed Income-Related Instruments. Investments include corporate bonds, government bonds, collateralized mortgage obligations and other asset-backed securities. These investments are generally valued at the bid price or the average of the bid and ask price. Prices are based on pricing models, quoted prices of securities with similar characteristics or broker quotes. Fixed income-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

Private Equity and Real Assets. Real assets include real estate, energy, timberland and agriculture. The valuation of private equity requires significant judgment due to the absence of quoted market prices as well as the inherent lack of liquidity and the long-term nature of these assets. Investments are valued based on valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of assumptions. We also assess the potential for adjustment to the fair value of these investments due to the lag in the availability of data. In these cases, we solicit preliminary valuation updates from the investment managers and use that information and corroborating data from public markets to determine any needed adjustments to estimate fair value.

Hedge Funds. Our hedge fund investments are primarily made through shares of limited partnerships or similar structures for which a liquid secondary market does not exist. Hedge funds are considered Level 3 assets. Hedge funds are valued monthly by a third-party administrator that has been appointed by the fund's general partner.

Cash Equivalents. These investments primarily consist of high-quality, short-term obligations that are a part of an institutional money market mutual fund. The fund's market-based net asset value per share is calculated using current market quotations or an appropriate substitute that reflects current market conditions.

Other. Primarily globally-diversified, risk-managed commingled funds consisting mainly of equity, fixed income, and commodity exposures.

Changes in Level 3. The following table shows the changes in our benefit plan assets classified in Level 3:

(in millions)	Private Equity	Real Estate	Hedge Funds	Fixed Income	Other	Total
Balance at January 1, 2013	\$ 1,466	\$ 613	\$ 484	\$ 13	\$ —	\$ 2,576
Actual return on plan assets:						
Related to assets still held at the reporting date	98	61	49	2	—	210
Related to assets sold during the period	64	19	—	—	—	83
Purchases, sales and settlements, net	(262)	(5)	19	44	—	(204)
Balance at December 31, 2013	1,366	688	552	59	—	2,665
Actual return on plan assets:						
Related to assets still held at the reporting date	(116)	(39)	167	(17)	(9)	(14)
Related to assets sold during the period	107	37	38	1	—	183
Purchases, sales and settlements, net	(144)	(23)	1,457	81	393	1,764
Balance at December 31, 2014	\$ 1,213	\$ 663	\$ 2,214	\$ 124	\$ 384	\$ 4,598

Other

We also sponsor defined benefit pension plans for eligible employees in certain foreign countries. These plans did not have a material impact on our Consolidated Financial Statements in any period presented.

Profit Sharing Program

Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit excluding profit sharing and special items, such as MTM adjustments and restructuring and other items. Our profit sharing program pays 10% to employees for the first \$2.5 billion of annual profit and 20% of annual profit above \$2.5 billion. For the years ended December 31, 2014, 2013 and 2012, we recorded expenses of \$1.1 billion, \$506 million and \$372 million under the profit sharing program, respectively.

NOTE 12 . COMMITMENTS AND CONTINGENCIES

Aircraft Purchase and Lease Commitments

At December 31, 2014 , future aircraft purchase commitments totaled approximately \$14.0 billion and included 69 B-737-900ER, 45 A321-200, 25 A330-900neo, 25 A350-900, 18 B-787-8, 10 A330-300 and two CRJ-900 aircraft. We have obtained long-term financing commitments for a substantial portion of the purchase price of all of these aircraft, except for the 18 B-787-8 aircraft. Our purchase commitment for the 18 B-787-8 aircraft provides for certain aircraft substitution rights.

Years Ending December 31, (in millions)	Total
2015	\$ 1,480
2016	1,970
2017	2,390
2018	2,230
2019	1,060
Thereafter	4,820
Total	\$ 13,950

In addition, we have agreements with Southwest Airlines and The Boeing Company to lease an additional 36 B-717-200 aircraft, which will be delivered during 2015.

Contract Carrier Agreements

We have contract carrier agreements with regional carriers expiring from 2016 to 2024 .

Capacity Purchase Agreements . Most of our Contract Carriers operate for us under capacity purchase agreements. Under these agreements, the Contract Carriers operate some or all of their aircraft using our flight designator codes, and we control the scheduling, pricing, reservations, ticketing and seat inventories of those aircraft and retain the revenues associated with those flights. We pay those airlines an amount, as defined in the applicable agreement, which is based on a determination of their cost of operating those flights and other factors intended to approximate market rates for those services.

The following table shows our minimum fixed obligations under our existing capacity purchase agreements. The obligations set forth in the table contemplate minimum levels of flying by the Contract Carriers under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as the cost of fuel, labor, maintenance, insurance, catering, property tax and landing fees. Accordingly, our actual payments under these agreements could differ materially from the minimum fixed obligations set forth in the table below.

Years Ending December 31, (in millions)	Amount ⁽¹⁾
2015	\$ 2,220
2016	1,930
2017	1,720
2018	1,550
2019	1,430
Thereafter	2,370
Total	\$ 11,220

⁽¹⁾ These amounts exclude Contract Carrier payments accounted for as operating leases of aircraft, which are described in Note 9 . The contingencies described below under “Contingencies Related to Termination of Contract Carrier Agreements” are also excluded from this table.

Revenue Proration Agreement . As of December 31, 2014 , a portion of our Contract Carrier agreement with SkyWest Airlines, Inc. is structured as a revenue proration agreement. This revenue proration agreement establishes a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

Contingencies Related to Termination of Contract Carrier Agreements

We have two agreements with Shuttle America that relate to its operation of Embraer 145 and Embraer 170/175 aircraft under capacity purchase agreements. The Embraer 145 aircraft were operated by Chautauqua Airlines at December 31, 2014 and assigned with our consent to Shuttle America in January 2015. By providing required advance notice, we may terminate the Embraer 145 agreement without cause at any time. Similarly, we may terminate the Embraer 170/175 agreement without cause at any time after January 2016. If we terminate either of the agreements without cause, Shuttle America has the right to (1) assign to us certain leased aircraft that the airline operates for us, provided we are able to continue the leases on the same terms the airline had prior to the assignment and (2) require us to purchase or lease certain of the aircraft the airline owns and operates for us at the time of the termination. If we are required to purchase aircraft owned by Shuttle America, the purchase price would be equal to the amount necessary to (1) reimburse Shuttle America for the equity it provided to purchase the aircraft and (2) repay in full any debt outstanding at such time that is not being assumed in connection with such purchase. If we are required to lease aircraft owned by Shuttle America, the lease would have (1) a rate equal to the aircraft-related debt payments of Shuttle America as if 90% of the aircraft was financed by Shuttle America and (2) other specified terms and conditions. Because these contingencies depend on our termination of the agreements without cause prior to their expiration dates, no obligation exists unless such termination occurs.

We estimate that the total fair values, determined as of December 31, 2014, of the aircraft Shuttle America could assign to us or require that we purchase if we terminate without cause our contract carrier agreement are approximately \$111 million with respect to the Embraer 145 aircraft and \$290 million with respect to the Embraer 170/175 aircraft. The actual amount we may be required to pay in these circumstances may be materially different from these estimates. If Shuttle America exercises this right, we must also pay Shuttle America 10% interest (compounded monthly) on the equity it provided when it purchased the aircraft. These equity amounts for the Embraer 145 and the Embraer 170/175 aircraft total \$25 million and \$52 million, respectively.

Venezuelan Currency Devaluation

As of December 31, 2014, we had \$102 million of unrestricted cash on our Consolidated Balance Sheets primarily related to our 2013 Venezuelan ticket sales for which repatriation has been requested, but not yet authorized. While the cash is available for use in Venezuela, our ability to repatriate these funds has been limited due to Venezuelan government controls. Cash related to 2013 sales is stated at the official exchange rate of 6.3 bolivars per U.S. dollar. Until these funds can be repatriated, they are at risk of future devaluations.

In January 2014, the Venezuelan government affirmed the official exchange rate for 2013 sales and announced that some sectors of the economy, including airlines, will use the SICAD I reference rate of 11.7 bolivars per U.S. dollar for 2014 sales and repatriation requests. The SICAD I reference rate is a complementary currency auction system that was created by the Venezuelan government in 2013 for purposes of exchanging currency. At the time of the announcement, we recorded a \$23 million charge in miscellaneous, net within other expense to reflect the devaluation of currency related to January 2014 sales that were denominated in bolivars. We are recording all sales subsequent to January 2014 at the then current SICAD I reference rate.

Legal Contingencies

We are involved in various legal proceedings related to employment practices, environmental issues, antitrust matters and other matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. We cannot reasonably estimate the potential loss for certain legal proceedings because, for example, the litigation is in its early stages or the plaintiff does not specify the damages being sought. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, management believes that the resolution of these matters will not have a material adverse effect on our Consolidated Financial Statements.

Credit Card Processing Agreements

Our VISA/MasterCard and American Express credit card processing agreements provide that no cash reserve ("Reserve") is required, and no withholding of payment related to receivables collected will occur, except in certain circumstances, including when we do not maintain a required level of liquidity as outlined in the merchant processing agreements. In circumstances in which the credit card processor can establish a Reserve or withhold payments, the amount of the Reserve or payments that may be withheld would be equal to the potential liability of the credit card processor for tickets purchased with VISA/MasterCard or American Express credit cards, as applicable, that had not yet been used for travel. There was no Reserve or amount withheld as of December 31, 2014 and 2013 .

Other Contingencies

General Indemnifications

We are the lessee under many commercial real estate leases. It is common in these transactions for us, as the lessee, to agree to indemnify the lessor and the lessor's related parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at, or in connection with, the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence or their willful misconduct.

Our aircraft and other equipment lease and financing agreements typically contain provisions requiring us, as the lessee or obligor, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or other equipment.

We believe that our insurance would cover most of our exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft and other equipment lease and financing agreements described above. While our insurance does not typically cover environmental liabilities, we have certain insurance policies in place as required by applicable environmental laws.

Certain of our aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions, we also bear the risk of certain changes in tax laws that would subject payments to non-U.S. lenders to withholding taxes.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

Employees Under Collective Bargaining Agreements

At December 31, 2014, we had approximately 80,000 full-time equivalent employees. Approximately 18% of these employees were represented by unions. The following table shows our domestic airline employee groups that are represented by unions.

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	11,530	ALPA	December 31, 2015
Delta Flight Superintendents (Dispatchers)	380	PAFCA	March 31, 2018
Endeavor Air Pilots	1,300	ALPA	January 1, 2020
Endeavor Air Flight Attendants	1,000	AFA	December 31, 2018
Endeavor Air Dispatchers	60	DISTWU	December 31, 2018

In addition, 210 refinery employees of Monroe are represented by the United Steel Workers under an agreement that expires on February 28, 2015. This agreement is governed by the National Labor Relations Act, which generally allows either party to engage in self help upon the expiration of the agreement. Formal negotiations toward a new or amended agreement have commenced.

Labor unions periodically engage in organizing efforts to represent various groups of our employees, including at our operating subsidiaries, that are not represented for collective bargaining purposes.

Other

We have certain contracts for goods and services that require us to pay a penalty, acquire inventory specific to us or purchase contract-specific equipment, as defined by each respective contract, if we terminate the contract without cause prior to its expiration date. Because these obligations are contingent on our termination of the contract without cause prior to its expiration date, no obligation would exist unless such a termination occurs.

NOTE 13 . INCOME TAXES

Income Tax (Provision) Benefit

Our income tax (provision) benefit consisted of the following:

(in millions)	Year Ended December 31,		
	2014	2013	2012
Current tax (provision) benefit:			
Federal	\$ 21	\$ 24	\$ —
State and local	(9)	(3)	15
International	(11)	1	(14)
Deferred tax (provision) benefit:			
Federal	(424)	7,197	(4)
State and local	10	794	(13)
Income tax (provision) benefit	\$ (413)	\$ 8,013	\$ (16)

The following table presents the principal reasons for the difference between the effective tax rate and the U.S. federal statutory income tax rate:

	Year Ended December 31,		
	2014	2013	2012
U.S. federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State taxes, net of federal benefit	2.00	3.0	3.3
Decrease in valuation allowance	(2.40)	(367.5)	(40.8)
Income tax allocation	—	12.7	—
Other	3.90	(0.4)	4.0
Effective income tax rate	38.50 %	(317.2)%	1.5 %

Deferred Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The following table shows significant components of our deferred tax assets and liabilities:

(in millions)	December 31,	
	2014	2013
Deferred tax assets:		
Net operating loss carryforwards	\$ 4,782	\$ 6,024
Pension, postretirement and other benefits	6,033	4,982
Fuel derivatives MTM adjustments	777	—
AMT credit carryforward	357	378
Deferred revenue	1,824	1,965
Other	659	698
Valuation allowance	(46)	(177)
Total deferred tax assets	\$ 14,386	\$ 13,870
Deferred tax liabilities:		
Depreciation	\$ 4,663	\$ 4,799
Intangible assets	1,684	1,704
Other	444	639
Total deferred tax liabilities	\$ 6,791	\$ 7,142
Net deferred tax assets	\$ 7,595	\$ 6,728

The following table shows our current and noncurrent deferred tax assets, net:

(in millions)	December 31,	
	2014	2013
Current deferred tax assets, net	\$ 3,275	\$ 1,736
Noncurrent deferred tax assets, net	4,320	4,992
Total deferred tax assets, net	\$ 7,595	\$ 6,728

The current and noncurrent components of our deferred tax balances are generally based on the balance sheet classification of the asset or liability creating the temporary difference. If the deferred tax asset or liability is not based on a component of our balance sheet, such as our net operating loss (“NOL”) carryforwards, the classification is presented based on the expected reversal date of the temporary difference. Our valuation allowance has been allocated between current and noncurrent based on the percentages of current and noncurrent deferred tax assets to total deferred tax assets.

At December 31, 2014, we had (1) \$357 million of federal alternative minimum tax (“AMT”) credit carryforwards, which do not expire and (2) \$12.0 billion of federal pre-tax NOL carryforwards, which will not begin to expire until 2024.

Valuation Allowance

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is not likely we will realize our deferred income tax assets. In making this determination, we consider all available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results, and tax planning strategies. We recorded a full valuation allowance in 2004 due to our cumulative loss position at that time, compounded by the negative industry-wide business trends and outlook.

At December 31, 2012, we retained an \$11.0 billion valuation allowance against our net deferred tax assets. At December 31, 2013, we released substantially all of the valuation allowance against our net deferred income tax assets, resulting in an \$8.3 billion benefit in our provision for income taxes. At December 31, 2013, we retained a valuation allowance of \$177 million against certain state and local operating loss and credit carryforwards, due to limited carryforward periods.

At the end of 2014, we maintained a \$46 million valuation allowance, primarily related to state net operating losses with limited expiration periods. During 2014, we continued our trend of sustained profitability, recording a pre-tax profit of \$1.1 billion for the year. After considering all available positive and negative evidence, we released additional valuation allowance related to net operating losses and capital loss carryovers in the December 2014 quarter.

The following table shows the balance of our valuation allowance and the associated activity:

(in millions)	2014	2013	2012
Valuation allowance at beginning of period	\$ 177	\$ 10,963	\$ 10,70
Income tax provision	(9)	(975)	(43)
Other comprehensive income tax benefit	(3)	(1,186)	69
Expirations	(91)	—	—
Release of valuation allowance	(28)	(8,310)	—
Other	—	(315)	—
Valuation allowance at end of period	\$ 46	\$ 177	\$ 10,96

At December 31, 2014, 2013 and 2012, we recorded \$10 million, \$13 million and \$3.1 billion, respectively, of deferred income tax expense in AOCI on our Consolidated Balance Sheets.

Income Tax Allocation

We consider all income sources, including other comprehensive income, in determining the amount of tax benefit allocated to continuing operations (the "Income Tax Allocation"). At the end of 2013, we released our tax valuation allowance, as discussed above, and settled all of our fuel derivatives designated as accounting hedges. As a result, an income tax benefit of \$1.9 billion related to our valuation allowance release and an income tax expense of \$321 million related to settlement of our fuel derivative was recognized in our Consolidated Statement of Operations. Income tax expense of \$1.9 billion remains in AOCI, primarily related to pension obligations. This tax expense will not be recognized in net income until the pension obligations are fully extinguished, which is not expected to occur for at least 25 years.

Uncertain Tax Positions

The amount of and changes to our uncertain tax positions were not material in any of the years presented. The amount of unrecognized tax benefits at the end of 2014, 2013, and 2012 was \$40 million, \$37 million and \$44 million, respectively. We accrue interest and penalties related to unrecognized tax benefits in interest expense and operating expense, respectively. Interest and penalties are not material in any period presented.

We are currently under audit by the IRS for the 2014 and 2013 tax years.

NOTE 14 . EQUITY AND EQUITY COMPENSATION

Equity

We are authorized to issue 2.0 billion shares of capital stock, of which up to 1.5 billion may be shares of common stock, par value \$0.0001 per share, and up to 500 million may be shares of preferred stock.

Preferred Stock. We may issue preferred stock in one or more series. The Board of Directors is authorized (1) to fix the descriptions, powers (including voting powers), preferences, rights, qualifications, limitations and restrictions with respect to any series of preferred stock and (2) to specify the number of shares of any series of preferred stock. We have not issued any preferred stock.

Treasury Stock. We generally withhold shares of Delta common stock to cover employees' portion of required tax withholdings when employee equity awards are issued or vest. These shares are valued at cost, which equals the market price of the common stock on the date of issuance or vesting. The weighted average cost of shares held in treasury was \$15.82 and \$14.31 as of December 31, 2014 and 2013 , respectively.

Equity-Based Compensation

Our broad-based equity and cash compensation plan provides for grants of restricted stock, stock options, performance awards, including cash incentive awards, and other equity-based awards (the "2007 Plan"). Shares of common stock issued under the 2007 Plan may be made available from authorized, but unissued, common stock or common stock we acquire. If any shares of our common stock are covered by an award that is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of the exercise price of an award or taxes related to an award), such shares will again be available for issuance under the 2007 Plan. The 2007 Plan authorizes the issuance of up to 157 million shares of common stock. As of December 31, 2014 , there were 27 million shares available for future grants.

We make long term incentive awards annually to eligible employees under the 2007 Plan. Generally, awards vest over time, subject to the employee's continued employment. Equity compensation expense for these awards is recognized in salaries and related costs over the employee's requisite service period (generally, the vesting period of the award) and totaled \$81 million , \$90 million and \$54 million for the years ended December 31, 2014 , 2013 and 2012 , respectively. We record expense on a straight-line basis for awards with installment vesting. As of December 31, 2014 , unrecognized costs related to unvested shares and stock options totaled \$56 million . We expect substantially all unvested awards to vest.

Restricted Stock . Restricted stock is common stock that may not be sold or otherwise transferred for a period of time and is subject to forfeiture in certain circumstances. The fair value of restricted stock awards is based on the closing price of the common stock on the grant date. As of December 31, 2014 , there were five million unvested restricted stock awards.

Stock Options. Stock options are granted with an exercise price equal to the closing price of Delta common stock on the grant date and generally have a 10-year term. We determine the fair value of stock options at the grant date using an option pricing model. As of December 31, 2014 , there were seven million outstanding stock option awards with a weighted average exercise price of \$12.88 , and six million were exercisable.

Performance Shares. Performance shares are long-term incentive opportunities, which are payable in common stock or cash, and are generally contingent upon our achieving certain financial goals.

Other. There was no tax benefit recognized in equity in 2014 , 2013 or 2012 related to equity-based compensation as our excess tax benefits have not reduced taxes payable. Therefore, we will not recognize an income tax benefit related to equity compensation until we exhaust our net operating losses. For more information regarding our income taxes, see Note 13 .

NOTE 15 . ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table shows the components of accumulated other comprehensive loss:

(in millions)	Pension and Other Benefits Liabilities	Derivative Contracts ⁽¹⁾	Investments	Total
Balance at January 1, 2012	\$ (6,288)	\$ (474)	(4)	\$ (6,766)
Changes in value (net of tax effect of \$0)	(2,168)	196	(3)	(1,975)
Reclassification into earnings (net of tax effect of \$0) ⁽¹⁾	149	15	—	164
Balance at December 31, 2012	(8,307)	(263)	(7)	(8,577)
Changes in value (net of tax effect of \$0)	2,760	296	(19)	3,037
Reclassification into earnings (net of tax effect of \$321) ⁽¹⁾	224	186	—	410
Balance at December 31, 2013 ⁽²⁾	(5,323)	219	(26)	(5,130)
Changes in value (net of tax effect of \$1,276)	(2,267)	83	10	(2,174)
Reclassification into earnings (net of tax effect of \$4) ⁽¹⁾	73	(80)	—	(7)
Balance at December 31, 2014 ⁽²⁾	\$ (7,517)	\$ 222	\$ (16)	\$ (7,311)

⁽¹⁾ Amounts reclassified from AOCI for pension and other benefits liabilities are recorded in salaries and related costs in the Consolidated Statements of Operations. Amounts reclassified from AOCI for derivative contracts designated as foreign currency cash flow hedges and interest rate cash flow hedges are recorded in passenger revenue and interest expense, net, respectively, in the Consolidated Statements of Operations. Amounts reclassified from AOCI for investments are recorded in interest income in the Consolidated Statements of Operations.

⁽²⁾ Includes \$1.9 billion of deferred income tax expense, primarily related to pension obligations, that will not be recognized in net income until the pension obligations are fully extinguished, which is not expected to occur for at least 25 years.

⁽³⁾ Included \$321 million of deferred income tax expense that remained in AOCI until December 2013 when all amounts in AOCI that related to derivative contracts designated as fuel cash flow hedges were recognized in the Consolidated Statement of Operations.

NOTE 16 . GEOGRAPHIC INFORMATION

Operating revenue for the airline segment is assigned to a specific geographic region based on the origin, flight path and destination of each flight segment. The majority of the revenues of the refinery, consisting of fuel sales to the airline, have been eliminated in the Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. For information regarding our segment information, see Note 2 .

Our operating revenue by geographic region (as defined by the DOT) is summarized in the following table:

(in millions)	Year Ended December 31,		
	2014	2013	2012
Domestic	\$ 26,898	\$ 24,857	\$ 23,989
Atlantic	6,757	6,446	6,329
Pacific	3,948	4,086	4,198
Latin America	2,759	2,384	2,154
Total	\$ 40,362	\$ 37,773	\$ 36,670

Our tangible assets consist primarily of flight equipment, which is mobile across geographic markets. Accordingly, assets are not allocated to specific geographic regions.

NOTE 17 . RESTRUCTURING AND OTHER ITEMS

The following table shows amounts recorded in restructuring and other items on our Consolidated Statements of Operations:

(in millions)	Year Ended December 31,		
	2014	2013	2012
Fleet, facilities and other	\$ 758	\$ 402	\$ 293
Severance and related costs	71	—	237
Routes and slots	—	—	(78)
Settlements	(113)	—	—
Total restructuring and other items	\$ 716	\$ 402	\$ 452

Fleet, Facilities and Other . During the September 2014 quarter, we decided to retire our fleet of 16 B-747-400 aircraft over the next three years. Additionally, we continue to restructure our domestic fleet by replacing a significant portion of our 50-seat regional flying with more efficient and customer preferred CRJ-900 and B-717-200 aircraft and replacing older, less cost effective B-757-200 aircraft with B-737-900ER aircraft. Accordingly, we recorded restructuring charges of \$758 million , \$402 million and \$ 293 million during 2014 , 2013 and 2012, respectively. These restructuring charges include impairments, remaining lease payments and lease return costs for permanently grounded aircraft, the acceleration of aircraft depreciation and related equipment disposals.

As part of the accelerated retirement of our B-747-400 fleet, we recorded an impairment charge for the owned and capital leased aircraft. This impairment charge was calculated using Level 3 fair value inputs based primarily upon recent market transactions and existing market conditions. Also, we recorded a lease restructuring charge for the three B-747-400 aircraft under operating leases that were retired during the September 2014 quarter.

As we restructure our fleet and assess our fleet plans, we will continue to evaluate older, retiring aircraft and related equipment for changes in depreciable life, impairment and lease termination costs. The retirement of aircraft, when permanently removed from our fleet, will likely result in lease termination and other charges. The timing and amount of these charges will depend on a number of factors, including final negotiations with lessors, the timing of removing aircraft from service and ultimate disposition of aircraft included in the fleet restructuring program. We expect to benefit from reduced future maintenance cost and improved operational and fuel efficiency over the life of the new aircraft.

As an extension of our fleet restructuring initiative and our desire to reduce the number of regional jets in our network, we shut down the operations of Comair, a wholly-owned regional airline subsidiary, as of September 29, 2012. The restructuring charges in 2012 also include amounts associated with the closure of Comair.

Severance and Related Costs . In June 2014, we announced a voluntary retirement program for eligible U.S. employees. We recorded a \$ 71 million charge in connection with this program and other programs related to our Pacific strategy.

During 2012, we recognized a severance charge of \$ 237 million , which included \$116 million of special termination benefits (see Note 11). We offered voluntary severance programs in which more than 2,000 employees elected to participate. These participants became eligible for retiree healthcare benefits. Also, we accrued \$66 million in severance and related costs in 2012 to provide severance benefits to Comair's 1,700 employees, as we ceased operations at the carrier.

Gain on Slot Exchange . During December 2011, we closed transactions with US Airways where we received takeoff and landing rights (each a "slot pair") at LaGuardia in exchange for slot pairs at Reagan National. In approving these transactions, the DOT restricted our use of the exchanged slots. We recorded a \$ 78 million deferred gain in December 2011, which we recognized in 2012 as the restrictions lapsed.

Settlements . During the year ended December 31, 2014, we settled outstanding litigation resulting in a favorable settlement of \$ 67 million and received an unrelated insurance settlement of \$46 million .

The following table shows the balances and activity for restructuring charges:

(in millions)	Severance and Related Costs			Lease Restructuring		
	2014	2013	2012	2014	2013	2012
Liability at beginning of period	\$ —	\$ 49	\$ 46	\$ 168	\$ 77	\$ 64
Additional costs and expenses	71	—	126	349	114	45
Payments	(29)	(46)	(123)	(55)	(18)	(32)
Other	—	(3)	—	—	(5)	—
Liability at end of period	\$ 42	\$ —	\$ 49	\$ 462	\$ 168	\$ 77

NOTE 18 . EARNINGS PER SHARE

We calculate basic earnings per share by dividing the net income by the weighted average number of common shares outstanding, excluding restricted shares. Antidilutive common stock equivalents excluded from the diluted earnings per share calculation are not material. The following table shows our computation of basic and diluted earnings per share:

(in millions, except per share data)	Year Ended December 31,		
	2014	2013	2012
Net income	\$ 659	\$ 10,540	\$ 1,009
Basic weighted average shares outstanding	836	849	845
Dilutive effect of share-based awards	9	9	5
Diluted weighted average shares outstanding	845	858	850
Basic earnings per share	\$ 0.79	\$ 12.41	\$ 1.20
Diluted earnings per share	\$ 0.78	\$ 12.29	\$ 1.19

NOTE 19 . QUARTERLY FINANCIAL DATA (UNAUDITED)

The following table summarizes our unaudited results of operations on a quarterly basis. The quarterly earnings (loss) per share amounts for a year will not add to the earnings per share for that year due to the weighting of shares used in calculating per share data.

(in millions, except per share data)	Three Months Ended,			
	March 31	June 30	September 30	December 31
2014				
Operating revenue	\$ 8,916	\$ 10,621	\$ 11,178	\$ 9,647
Operating income (loss)	620	1,579	835	(828)
Net income (loss)	213	801	357	(712)
Basic earnings (loss) per share	\$ 0.25	\$ 0.95	\$ 0.43	\$ (0.86)
Diluted earnings (loss) per share	\$ 0.25	\$ 0.94	\$ 0.42	\$ (0.86)
2013				
Operating revenue	\$ 8,500	\$ 9,707	\$ 10,490	\$ 9,076
Operating income	222	914	1,563	701
Net income	7	685	1,369	8,479
Basic earnings per share	\$ 0.01	\$ 0.81	\$ 1.61	\$ 10.02
Diluted earnings per share	\$ 0.01	\$ 0.80	\$ 1.59	\$ 9.89

The following special items are included in the results above:

(in millions)	Three Months Ended,			
	March 31	June 30	September 30	December 31
2014				
MTM adjustments	\$ (34)	\$ 1	\$ (347)	\$ (1,966)
Restructuring and other	(49)	(30)	(570)	(67)
Loss on extinguishment of debt	(18)	(111)	(134)	(5)
Virgin Atlantic MTM adjustments	(8)	—	(7)	(119)
Total loss	\$ (109)	\$ (140)	\$ (1,058)	\$ (2,157)
2013				
Restructuring and other	\$ (102)	\$ (34)	\$ (128)	\$ (160)
MTM adjustments	24	(125)	285	92
Release of tax valuation allowance	—	—	—	7,989
Total (loss) income	\$ (78)	\$ (159)	\$ 157	\$ 7,921

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to record, process, summarize and report, within time periods specified by the SEC's rules and forms, information required to be disclosed. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of December 31, 2014 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control

During the three months ended December 31, 2014, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the 2013 Internal Control-Integrated Framework. Based on that evaluation, management believes that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by Ernst & Young LLP, an independent registered public accounting firm, which also audited our Consolidated Financial Statements for the year ended December 31, 2014. Ernst & Young LLP's report on our internal control over financial reporting is set forth below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Stockholders of
Delta Air Lines, Inc.

We have audited Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Delta Air Lines, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Delta Air Lines, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Delta Air Lines, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2014 of Delta Air Lines, Inc. and our report dated February 10, 2015 expressed an unqualified opinion thereon.

Atlanta, Georgia
February 10, 2015

/s/ Ernst & Young LLP

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE OF THE REGISTRANT

Information required by this item is set forth under the headings “Governance Matters,” “Proposal 1 - Election of Directors - Certain Information About Nominees” and “Other Matters - Section 16 Beneficial Ownership Reporting Compliance” in our Proxy Statement to be filed with the Commission related to our 2015 Annual Meeting of Stockholders (“Proxy Statement”), and is incorporated by reference. Pursuant to instruction 3 to paragraph (b) of Item 401 of Regulation S-K, certain information regarding executive officers is contained in Part I of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is set forth under the headings “Governance Matters - Compensation Committee Interlocks and Insider Participation,” “Executive Compensation” and “Director Compensation” in our Proxy Statement and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information about the number of shares of common stock that may be issued under Delta's equity compensation plans as of December 31, 2014 .

Plan Category	(a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights ⁽¹⁾	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ⁽²⁾	(c) No. of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) ⁽³⁾
Equity compensation plans approved by securities holders	7,954,302	\$ 10.99	27,331,339
Equity compensation plans not approved by securities holders	—	—	—
Total	7,954,302	\$ 10.99	27,331,339

⁽¹⁾ Includes a maximum of 1,162,770 shares of common stock that may be issued upon the achievement of certain performance conditions under outstanding performance share awards as of December 31, 2014 .

⁽²⁾ Includes performance share awards, which do not have exercise prices. The weighted average exercise price of options is \$12.88.

⁽³⁾ Reflects shares remaining available for issuance under Delta's 2007 Performance Compensation Plan. If any shares of our common stock are covered by an award under the 2007 Plan that is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of the exercise price of an award or taxes related to an award), then such shares will again be available for issuance under the 2007 Plan. Because 5,010,476 shares of restricted stock remain unvested and subject to forfeiture, these shares could again be available for issuance.

Other information required by this item is set forth under the heading “Beneficial Ownership of Securities” in our Proxy Statement and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is set forth under the headings “Governance Matters,” “Executive Compensation - Post-Employment Compensation - Other Benefits - Pre-Existing Medical Benefits Agreement with Northwest” and “Proposal 1 - Election of Directors” in our Proxy Statement and is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is set forth under the heading “Proposal 3 - Ratification of the Appointment of Independent Auditors” in our Proxy Statement and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1). The following is an index of the financial statements required by this item that are included in this Form 10-K:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets— December 31, 2014 and 2013

Consolidated Statements of Operations for the years ended December 31, 2014 , 2013 and 2012

Consolidated Statements of Comprehensive (Loss) Income for the years ended December 31, 2014 , 2013 and 2012

Consolidated Statements of Cash Flows for the years ended December 31, 2014 , 2013 and 2012

Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2014 , 2013 and 2012

Notes to the Consolidated Financial Statements

(2). The schedule required by this item is included in Notes 13 and 17 to the Consolidated Financial Statements. All other financial statement schedules are not required or are inapplicable and therefore have been omitted.

(3). The exhibits required by this item are listed in the Exhibit Index to this Form 10-K. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.10(a) through 10.26 in the Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 10th day of February 2015 .

DELTA AIR LINES, INC.

By: /s/ Richard H. Anderson
Richard H. Anderson
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 10th day of February 2015 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Richard H. Anderson Richard H. Anderson	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Paul A. Jacobson Paul A. Jacobson	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Craig M. Meynard Craig M. Meynard	Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ Edward H. Bastian Edward H. Bastian	President and Director
/s/ Francis S. Blake Francis S. Blake	Director
/s/ Roy J. Bostock Roy J. Bostock	Director
/s/ John S. Brinzo John S. Brinzo	Director
/s/ Daniel A. Carp Daniel A. Carp	Chairman of the Board
/s/ David G. DeWalt David G. DeWalt	Director
/s/ William H. Easter III William H. Easter III	Director
/s/ Mickey P. Foret Mickey P. Foret	Director
/s/ Shirley C. Franklin Shirley C. Franklin	Director
/s/ David R. Goode David R. Goode	Director
/s/ George N. Mattson George N. Mattson	Director
/s/ Paula Rosput Reynolds Paula Rosput Reynolds	Director
/s/ Sergio A.L. Rial Sergio A.L. Rial	Director
/s/ Kenneth C. Rogers Kenneth C. Rogers	Director

EXHIBIT INDEX

Note to Exhibits : Any representations and warranties of a party set forth in any agreement (including all exhibits and schedules thereto) filed with this Annual Report on Form 10-K have been made solely for the benefit of the other party to the agreement. Some of those representations and warranties were made only as of the date of the agreement or such other date as specified in the agreement, may be subject to a contractual standard of materiality different from what may be viewed as material to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts. Such agreements are included with this filing only to provide investors with information regarding the terms of the agreements, and not to provide investors with any other factual or disclosure information regarding the registrant or its business.

- 3.1(a) Delta's Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007).*
- 3.1 (b) Amendment to Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014).*
- 3.2 Delta's By-Laws (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014).*

Delta is not filing any instruments evidencing any indebtedness because the total amount of securities authorized under any single such instrument does not exceed 10% of the total assets of Delta and its subsidiaries on a consolidated basis. Copies of such instruments will be furnished to the Securities and Exchange Commission upon request.

- 10.1 Credit and Guaranty Agreement, dated as of April 20, 2011, among Delta Air Lines, Inc., as Borrower, the subsidiaries of the Borrower named as Guarantors, each of the several Lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent for the Lenders, J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, UBS Securities LLC, Barclays Capital, the investment banking division of Barclays Bank PLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers, J.P. Morgan Securities LLC, Barclays Capital, Citigroup Global Markets Inc., Credit Suisse AG, Cayman Islands Branch, Deutsche Bank Securities Inc., Goldman Sachs Lending Partners, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley Senior Funding, Inc. and UBS Securities LLC, as joint bookrunners, Goldman Sachs Lending Partners, LLC and UBS Securities LLC, as co-syndication agents, and Barclays Bank and Bank of America, N.A., as co-documentation agents (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011).*
- 10.2 Credit and Guaranty Agreement, dated as of October 18, 2012, among Delta Air Lines, Inc., as Borrower, the subsidiaries of the Borrower named as Guarantors, each of the several Lenders party thereto, Barclays Bank PLC, as administrative agent, Wilmington Trust, National Association, as Collateral Trustee, Deutsche Bank Securities Inc. and UBS Securities LLC, as Co-Syndication Agents, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as co-documentation agents, Barclays Bank PLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Deutsche Bank Securities Inc., and UBS Securities LLC, as joint lead arrangers, and Barclays Bank PLC, BNP Paribas Securities Corp, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, J.P. Morgan Securities LLC, Morgan Stanley Senior Funding, Inc. and UBS Securities LLC, as joint bookrunners (Filed as Exhibit 10.2 to Delta's Annual Report on Form 10-K for the year ended December 31, 2012).*
- 10.3 Transaction Framework Agreement among Delta, Delta Master Executive Council, Northwest Master Executive Council and Air Line Pilots Association, International dated as of June 26, 2008 (Filed as Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).*
- 10.4 Letter Agreement, dated April 14, 2008, by and among Delta Air Lines, Inc., the Master Executive Council of Delta, and Air Line Pilots Association, International dated April 14, 2008 (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
- 10.5 Anchor Tenant Agreement dated as of December 9, 2010 between JFK International Air Terminal LLC and Delta Air Lines, Inc. (Filed as Exhibit 10.4 to Delta's Annual Report on Form 10-K for the year ended December 31, 2010).*
- 10.6 Supplemental Agreement No. 13 to Purchase Agreement Number 2022, dated August 24, 2011, between The Boeing Company and Delta relating to Boeing Model 737NG Aircraft (the "B-737NG Purchase Agreement") (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).*/**

- 10.7 Letter Agreements, dated August 24, 2011, relating to the B-737NG Purchase Agreement (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).*/**
- 10.8(a) Aircraft General Terms Agreement, dated October 21, 1997, between Boeing and Delta (Filed as Exhibit 10.6 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997).*/**
- 10.8(b) Letter Agreement, dated August 24, 2011, relating to Revisions to Aircraft General Terms Agreement dated October 21, 1997 and the B-737NG Purchase Agreement (Filed as Exhibit 10.3(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).*/**
- 10.9 Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S and Delta Air Lines, Inc.**
- 10.10(a) Delta Air Lines, Inc. 2007 Performance Compensation Plan (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed on March 22, 2007).*
- 10.10(b) First Amendment to the Delta Air Lines, Inc. 2007 Performance Compensation Plan (Filed as Exhibit 10.12(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
- 10.10(c) Form of Delta 2007 Performance Compensation Plan Award Agreement for Officers (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed on April 30, 2007).*
- 10.11(a) Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of January 2, 2009, as further amended October 20, 2009 (Filed as Exhibit 10.11(a) to Delta's Annual Report on Form 10-K for the year ended December 31, 2009).*
- 10.11(b) Amendment to the Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of January 2, 2009, as further amended October 20, 2009 (Filed as Exhibit 10.11(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2009).*
- 10.12 Description of Certain Benefits of Members of the Board of Directors and Executive Officers (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011).*
- 10.13(a) Delta Air Lines, Inc. 2012 Long Term Incentive Program (Filed as Exhibit 10.15 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).*
- 10.13(b) Model Award Agreement for the Delta Air Lines, Inc. 2012 Long Term Incentive Program (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012).*
- 10.14(a) Delta Air Lines, Inc. 2013 Long Term Incentive Program (Filed as Exhibit 10.14 to Delta's Annual Report on Form 10-K for the year ended December 31, 2012).*
- 10.14(b) Model Award Agreement for the Delta Air Lines, Inc. 2013 Long Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).*
- 10.15(a) Delta Air Lines, Inc. 2014 Long Term Incentive Program (Filed as Exhibit 10.15 to Delta's Annual Report on Form 10-K for the year ended December 31, 2013).*
- 10.15(b) Model Award Agreement for the Delta Air Lines, Inc. 2014 Long Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014).*
- 10.16 Delta Air Lines, Inc. 2015 Long Term Incentive Program.
- 10.17 Delta Air Lines, Inc. 2014 Management Incentive Plan (Filed as Exhibit 10.17 to Delta's Annual Report on Form 10-K for the year ended December 31, 2013).*
- 10.18 Delta Air Lines, Inc. 2015 Management Incentive Plan.

- 10.19(a) Delta Air Lines, Inc. Transition Award Program (Filed as Exhibit 10.17 to Delta's Annual Report on Form 10-K for the year ended December 31, 2012).*
- 10.19(b) Model Award Agreement for the Delta Air Lines, Inc. Transition Award Program (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).*
- 10.20 Letter Agreement dated as of June 11, 2008 between counsel for and on behalf of Mickey P. Foret and Aviation Consultants, LLC, and counsel for and on behalf of Northwest Airlines, Inc. (Filed as Exhibit 10.22 to Delta's Annual Report on Form 10-K for the year ended December 31, 2008).*
- 10.21(a) Northwest Airlines, Inc. Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.28 to Northwest's Annual Report on Form 10-K for the year ended December 31, 2006).*
- 10.21(b) First Amendment of Northwest Airlines Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.3 to Northwest's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005).*
- 10.21(c) Third Amendment of Northwest Airlines Excess Pension Plan for Salaried Employees (2001 Restatement) (Filed as Exhibit 10.1 to Northwest's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008).*
- 10.22 Delta Air Lines, Inc. Restoration Long Term Disability Plan (Filed as Exhibit 10.24 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).*
- 10.23 Letter Agreement, dated February 2, 2012 between Delta Air Lines, Inc. and Richard H. Anderson (Filed as Exhibit 10.25 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).*
- 10.24 Letter Agreement, dated February 2, 2012 between Delta Air Lines, Inc. and Richard B. Hirst (Filed as Exhibit 10.26 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).*
- 10.25 Terms of 2013 Restricted Stock Awards for Non-Employee Directors (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).*
- 10.26 Terms of 2014 Restricted Stock Awards for Non-Employee Directors (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014).*
- 12.1 Statement regarding computation of ratio of earnings to fixed charges for each fiscal year in the five-year period ended December 31, 2014.
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of Ernst & Young LLP.
- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
- 32 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Labels Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* Incorporated by reference.

** Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to requests for confidential treatment.

AIRBUS A330-900neo AIRCRAFT
AND
A350-900 AIRCRAFT PURCHASE AGREEMENT

Dated as of November 24, 2014

between

AIRBUS S.A.S

and

DELTA AIR LINES, INC.

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EXHIBITS

EXHIBIT A-1	A330-300 AIRCRAFT STANDARD SPECIFICATION
EXHIBIT A-2	A350-900 AIRCRAFT STANDARD SPECIFICATION
EXHIBIT A-3	A330-900neo AIRCRAFT SPECIFICATION CHANGE NOTICES
EXHIBIT A-4	A350-900 AIRCRAFT SPECIFICATION CHANGE NOTICES
EXHIBIT B-1	FORM OF SPECIFICATION CHANGE NOTICE
EXHIBIT B-2	FORM OF MANUFACTURER’S SPECIFICATION CHANGE NOTICE
EXHIBIT B-3	FORM OF [***]
EXHIBIT C	AIRBUS PRICE REVISION FORMULA
EXHIBIT D	FORM OF CERTIFICATE OF ACCEPTANCE
EXHIBIT E	FORM OF BILL OF SALE
EXHIBIT F	SERVICE LIFE POLICY – LIST OF ITEMS
EXHIBIT G-1	A330-900neo TECHNICAL DATA INDEX
EXHIBIT G-2	A350-900 TECHNICAL DATA INDEX
EXHIBIT H	MATERIAL SUPPLY AND SERVICES
EXHIBIT I	LICENSES AND ON-LINE SERVICES

PURCHASE AGREEMENT

This agreement is made this 24th day of November, 2014

Between

AIRBUS S.A.S , a *société par actions simplifiée* , created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the “ **Seller** ”),

and

DELTA AIR LINES, INC. , a corporation organized and existing under Delaware law with offices located at 1050 Delta Boulevard, Atlanta, Georgia 30320 (the “ **Buyer** ”).

WHEREAS, the Buyer wishes to purchase, and the Seller is willing to sell, twenty-five (25) firm Airbus A330-900neo model aircraft and twenty-five (25) firm A350-900 model aircraft upon the terms and conditions provided herein; and

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0. DEFINITIONS

For all purposes of the Agreement (as defined below), except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the following meanings:

A330-300 Standard Specification – the A330-300 standard specification document number [***] a copy of which has been annexed hereto as Exhibit A-1.

A330-900neo Aircraft – any or all of the A330-300 model airframe to be purchased by the Buyer pursuant to this Agreement, together with all components, equipment, parts and accessories installed in or on such aircraft including the New Engine Option Changes and the A330-900neo Propulsion Systems installed thereon upon Delivery.

A330-900neo Aircraft Base Price - has the meaning set forth in Subclause 3.1.1.

A330-900neo Aircraft Final Contract Price - has the meaning set out in Subclause 3.1.4.

A330-900neo Standard Specification - has the meaning set out in Subclause 2.1.1.1.

A330-900neo Customization Milestone Chart – as defined in Subclause 2.1.3.1.

A330-900neo Propulsion Systems has the meaning set forth in Subclause 2.1.2.

A330-900neo Aircraft Specification - means the A330-900neo Standard Specification as may be amended by all applicable SCNs and MSCNs.

A330-900neo Standard Specification - as defined in Subclause 2.1.1.2.1.

A330-900neo Standard Specification Freeze - has the meaning set out in Subclause 2.1.1.2.1.

A350-900 Aircraft - any or all of the A350-900 model aircraft sold by the Seller and to be purchased by the Buyer pursuant to this Agreement, together with all components, equipment, parts and accessories installed in or on such aircraft and the A350-900 Propulsion Systems installed thereon upon Delivery.

A350-900 Aircraft Base Price – as defined in Subclause 3.2.1.

A350XWB Family Aircraft - individually or collectively an A350-900 Aircraft or an A350-1000 Aircraft.

A350XWB Family Aircraft Description Document or A350XWB Family ADD - as the context requires, either the A350XWB Family Aircraft Description Document – [***], or any subsequent issue thereof applicable at the time of equipment selection.

A350-900 Aircraft Final Contract Price has the meaning set forth in Subclause 3.2.4.

A350-900 Aircraft Specification – means the A350-900 Standard Specification as amended by all applicable SCNs and MSCNs.

A350-900 Propulsion Systems – as defined in Subclause 2.2.2.

A350-900 Standard Specification - the A350-900 standard specification document Number [***], a copy of which has been annexed hereto as Exhibit A-2.

ACS IFE – as defined in Subclause 2.2.3.2.

ACS Seats – Seats installed on an A350-900 Aircraft, which are supplied by an ACS Supplier and which are listed in the A350XWB Family ADD applicable at the time of customization.

ACS Supplier - means any supplier of ACS Equipment.

ACS Reference Price – as defined in Subclause 3.2.3.

Affiliate – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity. For purposes of the preceding sentence, “control” of an entity shall mean the direct or indirect ownership of voting securities having the power to direct or cause the direction of the management and policies of such entity.

Agreement – this Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement, including all exhibits, appendixes and letter agreements attached hereto, as the same may be amended or modified and in effect from time to time.

Airbus Contracted Suppliers Equipment or ACS Equipment – any component, equipment, accessory or part installed in an A350-900 Aircraft at the time of Delivery thereof and for which there exists an Airbus Contracted Suppliers Support Agreement. For the sake of clarity, Propulsion Systems, Supplier Parts, Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not ACS Equipment.

Airbus Contracted Suppliers Support Agreements - means agreements between the Seller and ACS Suppliers, as described in Clause 17, containing enforceable and transferable warranties.

Airbus Equivalent Thrust or AET – is the Airbus Equivalent Thrust at [***], which is representative of sea level aircraft performance.

Airbus Price Revision Formula as set forth in Exhibit C.

AirbusWorld – as defined in Subclause 14.4.1.

AirbusWorld GTC – General Terms and Conditions of Access to and Use of the Secure Area of the AirbusWorld/Online Services between the Seller and the Buyer (as successor in interest to Northwest Airlines Inc.) [***], as may be amended from time to time.

Aircraft – means individually or collectively an A330-900neo Aircraft or A350-900 Aircraft under this Agreement, together with all components, equipment, parts and accessories installed in or on such aircraft and the Propulsion Systems installed thereon upon Delivery.

Aircraft Training Services – all aircraft training services including but not limited to any and all (i) flight support services, training courses, flight training, flight assistance, line training, line assistance, flights of any kind performed by the Seller, its agents, employees or subcontractors, and maintenance support, maintenance training (including Practical Training), training support of any kind performed on aircraft and provided to the Buyer pursuant to this Agreement.

Airframe – any Aircraft excluding Propulsions Systems.

ATA Specification – recommended specifications developed by the Air Transport Association of America reflecting consensus in the commercial Aviation industry on accepted means of communicating information, conducting business, performing operations and adhering to accepted practices.

Aviation Authority – when used with respect to any jurisdiction, the government entity that, under the laws of such jurisdiction, has control over civil aviation or the registration, airworthiness or operation of civil aircraft in such jurisdiction.

Balance of the Final Contract Price – as defined in Subclause 5.3.

Base Period - [***]

Base Price – for any Aircraft and SCN, as defined in Clause 3.

BFE Data – as defined in Subclause 14.3.3.1.

BFE Engineering Definition – as defined in Subclause 18.1.1.3.

BFE IFE – as defined in Subclause 2.2.3.2.

BFE Premium Class Seats – as defined in Subclause 2.2.4.2.

BFE Supplier – a supplier of Buyer Furnished Equipment as defined in Subclause 18.1.1.1.

BFE Supplier Data – Shall encompass all BFE related documents to be provided in accordance with Airbus general requirements for equipment and system suppliers with the corresponding compliance analysis matrix, including but not limited to the seat interface specifications, BFE statement of work, inflight seat and seat furniture, component delivery specification, contractual applicable documents and applicable tool list, product description with features and options, cabin layout from seat supplier, seat configurations and assembly 2D drawings and 3D space allocation models for all configurations.

Bill of Sale – as defined in Subclause 9.2.

Business Day - with respect to any action to be taken hereunder, a day other than a Saturday, Sunday or other day designated as a holiday in the jurisdiction in which such action is required to be taken.

Buyer Furnished Equipment or BFE – as defined in Subclause 18.1.1.1.

Certificate of Acceptance – as defined in Subclause 8.3.

Contractual Definition Freeze or CDF – as defined in Subclause 2.1.3.2.

Customization Milestone Chart – means either an A330-900neo Customization Milestone Chart or an A350-900 Customization Milestone Chart as applicable.

Declaration of Design and Performance or DDP – the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation as well as all the relevant certification requirements.

Delivery – the transfer of title to the Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date – the date on which Delivery occurs.

Delivery Location – the facilities of the Seller at the location of final assembly of the Aircraft.

Development Changes – as defined in Subclause 2.3.2.

EASA – the European Aviation Safety Agency or any successor thereto.

Excusable Delay – as defined in Subclause 10.1.

Export Certificate of Airworthiness – an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location.

FAA – the U.S. Federal Aviation Administration or any successor agency thereto.

Failure – as defined in Subclause 12.2.1.2.

Final Contract Price – means either the A330-900neo Aircraft Final Contract Price or the A350-900 Aircraft Final Contract Price.

Goods and Services or G&S – any goods, excluding Aircraft, and services that may be purchased by the Buyer from the Seller.

Ground Training Services means all training courses performed in classrooms, full flight simulator sessions, fixed base simulator sessions, field trips and any other services provided to the Buyer on the ground pursuant to this Agreement and which are not Aircraft Training Services.

In-Flight Entertainment or (IFE) – means In-Flight Entertainment equipment supplied exclusively by an ACS Supplier and which is listed in the A350XWB Family ADD. In the event the Buyer selects BFE Premium Class Seats, such IFE shall be considered BFE IFE.

In-house Warranty – as defined in Subclause 12.1.7(i).

In-house Warranty Labor Rate – as defined in Subclause 12.1.7(iv)(d)

Inexcusable Delay – as defined in Subclause 11.1.

Interface Problem – as defined in Subclause 12.4.1.

Item – as defined in Subclause 12.2.1.1.

Manufacture Facilities – means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Manufacturer Specification Change Notice or MSCN – as defined in Subclause 2.3.2.1.

Material – as defined in Subclause 1.2 of Exhibit H.

New Engine Option Changes has the meaning set out in Subclause 2.1.1.2.1

Non-Customized Data – Refers to (i) envelope manuals and data that are applicable to a group of customers from the Seller for a specific aircraft type, model or series, or to (ii)

generic manuals and data that are applicable to all aircraft types, models or series from the Seller.

Option Catalogues means the Seller's catalogues of specification change options.

Other Agreement - has the meaning set out in Subclause 5.10.1.

Practical Training – as defined in Subclause 16.8.2.

Predelivery Payment – any payment made against the Final Contract Price of an Aircraft in accordance with Subclause 5.2.

Prime Rate – the rate of interest per annum publicly announced from time to time by Citibank, N.A. in New York, New York, as its prime or base or equivalent lending rate.

Propulsion Systems – means the A330-900neo Propulsion Systems or A350-900 Propulsion Systems as applicable.

Propulsion Systems Manufacturer – means Rolls-Royce plc.

Ready for Delivery – with respect to any Aircraft, the time when (i) the Technical Acceptance Process set forth in Clause 8 has been completed in accordance with Clause 8 and (ii) all conditions required by EASA for the issuance of the Export Certificate for Airworthiness, without exception, have been satisfied.

Scheduled Delivery Month – as defined in Subclause 9.1.1.

Scheduled Delivery Period – the Scheduled Delivery Month, or, if not then notified, the Scheduled Delivery Quarter.

Scheduled Delivery Quarter – as defined in Subclause 9.1.1.

Seller Furnished Equipment or SFE – for any Aircraft, all of the items of equipment that shall be furnished by the Seller and installed in the Aircraft by the Seller, as defined in the Specification.

Seller's Representatives – the representatives of the Seller referred to in Clause 15.

Seller Service Bulletin – means a document approved by an Aviation Authority issued by the Seller to aircraft operators to implement a modification to the design of, or an inspection to, a delivered aircraft either to maintain or to improve the operation of said delivered aircraft.

Seller Service Life Policy – as referred to in Subclause 12.2.

Sharklets means a new large wingtip device, designed to enhance the eco-efficiency and payload range performance of the A330-900neo aircraft type, and which are fitted on the A330-900neo Aircraft and are part of the New Engine Option Changes.

Specification – means the A330-900neo Aircraft Specification or A350-900 Aircraft Specification as applicable.

Standard Specification – means either the A330-900neo Standard Specification or A350-900 Standard Specification as applicable.

Spare Parts means the items of equipment and material that may be provided pursuant to Exhibit H.

Specification Change Notice or SCN – as defined in Subclause 2.3.1.

SPSA Application – the application on AirbusWorld, which provides the Buyer with access to the Supplier Product Support Agreements and the Airbus Contracted Supplier Support Agreements.

Supplier – any supplier of Supplier Parts.

Supplier Part – as defined in Subclause 12.3.1.

Supplier Product Support Agreements – as defined in Subclause 17.1.2.

Technical Acceptance Process – as defined in Subclause 8.1.3.

Technical Data – has the meaning set forth in Subclauses 14.1 as applicable to A330-900neo Aircraft and A350-900 Aircraft respectively.

Termination Event - as defined in Subclause 21.1.

Total Loss - as defined in Subclause 10.4.

Training Conference - as defined in Subclause. 16.1.3.

Type Certificate – as defined in Subclause 7.1.

Warranted Part – as defined in Subclause 12.1.1..

Warranty Claim – as defined in Subclause 12.1.5(v)..

The following rules of construction apply to the Agreement:

- (i) the definition of a singular shall apply to plurals of the same words;
- (ii) “include” and “including” are not limiting except when used in the computation of time periods;
- (iii) “hereby,” “herein,” “hereof,” “hereunder,” “the Agreement,” “this Agreement,” and any like words refer to the Agreement and not a particular Clause thereof; and
- (iv) a reference herein to a Clause, Subclause, Exhibit, Attachment or Appendix without further reference is to the relevant Clause, Subclause, Exhibit, Attachment or Appendix of the Agreement.
- (v) References in the Agreement to any statute shall be to such statute as amended or modified and in effect at the time any such reference is operative.
- (vi) Terms and conditions in the Agreement that are specific to (i) the A330-900neo Aircraft shall not be applicable to the A350-900 Aircraft and (ii) the A350-900 Aircraft shall not be applicable to the A330-900neo Aircraft. Unless otherwise specified, all other terms and conditions in the Agreement shall be applicable to both A330-900neo Aircraft and A350-900 Aircraft.

Technical and trade terms not otherwise defined herein shall have the meanings assigned to them as generally accepted in the aircraft manufacturing industry.

1. SALE AND PURCHASE

The Seller shall sell and deliver, and the Buyer shall buy and take delivery of twenty-five (25) firmly ordered A330-900neo Aircraft and twenty-five (25) firmly ordered A350-900 Aircraft, subject to the terms and conditions contained in the Agreement.

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[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

2. SPECIFICATIONS

2.1 A330-900neo Aircraft Specification

2.1.1 The A330-900neo Aircraft shall be manufactured in accordance with A330-900neo Standard Specification as set forth in Subclause 2.1.1.3 hereunder.

2.1.1.1 A330-900neo Aircraft Standard Specification

The A330-900neo Aircraft specification consists of the A330-300 Standard Specification, document number [***] and the New Engine Option Changes as set forth in Subclause 2.1.1.2.1 below.

2.1.1.2 New Engine Option

2.1.1.2.1[***]

[***]

[***]

2.1.1.2.2A330-900neo Aircraft Weights

The New Engine Option Changes shall modify the basic design weights of the A330-300 Standard Specifications, as set forth in paragraph(s) § 03-20.01.00 thereof, as follows:

	[***]
MTOW ("Maximum Take-off Weight")	[***]
MLW ("Maximum Landing Weight")	[***]
MZFW ("Maximum Zero Fuel Weight")	[***]

[***]

[***]

It is agreed and understood that all of the weights set forth in this Subclause 2.1.1.2.2 are current development targets and may be updated upon A330-900neo Standard Specification Freeze.

2.1.1.3 Upon its issuance, the A330-900neo Standard Specification shall automatically supersede the combination of the A330-300 Standard Specifications and the New Engine Option Changes.

2.1.2 A330-900neo Propulsion Systems

The A330-900neo Aircraft shall be equipped with two (2) Rolls-Royce Trent 7000 engines (the “ **A330-900neo Propulsion Systems** ”), [***]

[***]

The above-mentioned A330-900neo Propulsion Systems designation is based upon information received from the Propulsion Systems Manufacturer and remains subject to any modification that might be imposed by the Propulsion Systems Manufacturer on the Seller and/or the Buyer.

2.1.3 A330-900neo Aircraft Milestones

2.1.3.1 Customization Milestones Chart

[[**]], the Seller shall provide the Buyer with customization milestone charts (the “ **A330-900neo Customization Milestone Chart** ”), setting out how far in advance of the Scheduled Delivery Month or Quarter, as applicable, of the A330-900neo Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller’s catalogues of Specification change options (the “ **Option Catalogues** ”).

2.1.3.2 Contractual Definition Freeze

The A330-900neo Customization Milestone Chart shall include the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “ **Contractual Definition Freeze** ” or “ **CDF** ”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date shall be referred to as a “ **CDF Date** .”

2.2 A350-900 Aircraft Specification

2.2.1 The A350-900 Aircraft shall be manufactured in accordance with the A350-900 Standard Specification, as may already have been modified or varied prior to the date of the Agreement by the Specification Change Notices listed in Exhibit A-4.

2.2.1.1 [[**]]

[[**]]

2.2.1.2 A350XWB Family Aircraft – Comprehensive Offer

In addition to the A350-900 Standard Specification and for the purpose of offering a comprehensive view of the available standard and optional A350XWB Family Aircraft features at the current stage of the development process, the Seller has also issued an A350XWB Family Aircraft Description Document. This document includes, in addition to the basic aircraft features and functionalities set forth in the A350-900 Standard Specification under sections marked “Customization”, the options foreseen at the date hereof. For the sake of clarity, it is agreed and understood that such options constitute the Seller’s customization offer. When such options call for the installation of equipment, such equipment shall be either SFE, ACS Equipment or BFE, as applicable at the time of customization of the A350-900 Aircraft.

2.2.1.3 The appendix to the A350XWB Family ADD lists the equipment that shall be ACS Equipment. Such ACS Equipment shall be supplied by manufacturers qualified by the Seller as ACS Suppliers. Those contracted at the date hereof are listed in the A350XWB Family ADD. The Buyer shall select the ACS Equipment from the A350XWB Family ADD applicable at the time of the corresponding customization, by the dates specified in the Customization Milestone Chart. The Buyer shall confirm its selection by written notice to the Seller by the date set forth in the Customization Milestone Chart, which will be subsequently formalized through the SCN process described in Subclause 2.3.1.

The Seller shall purchase and take title to the ACS Equipment. The Seller shall place the purchase order for the ACS Equipment either:

- (a) at the price and associated price revision conditions jointly notified to the Seller by the Buyer and the ACS Supplier, or
- (b) at the catalogue price applicable to such ACS Equipment at the time of the order.

[***]

The format and recipient of the above notification shall be indicated to the Buyer during the customization process.

2.2.1.4 Without prejudice to Subclause 22.11 of the Agreement, in the event of any inconsistency between the terms of this Agreement and the terms contained in the A350-900 Standard Specification, the terms of this Agreement shall prevail over the terms of the A350-900 Standard Specification, to the extent of such inconsistency. For the purpose of this Subclause 2.2.1.4, the term Agreement shall not include the A350-900 Standard Specification.

2.2.2 A350-900 Aircraft Propulsion Systems

The A350-900 Airframe shall be equipped with a set of two (2) Trent-XWB84 engines (the “ **A350-900 Propulsion Systems** ”). The A350-900 Propulsion Systems designation is received from the Propulsions Systems Manufacturer and is subject to amendment by the Propulsion Systems Manufacturer at any time prior to the Delivery Date. If the Propulsion Systems Manufacturer makes any such amendment related to the designation, the amendment related to the designation shall be automatically incorporated into this Agreement and the Propulsion Systems designation shall be adjusted accordingly. The Seller agrees to notify the Buyer as soon as it receives notice of any such amendment from the Propulsion Systems Manufacturer.

2.2.3 A350-900 Aircraft Milestones

2.2.3.1 Contractual Definition Freeze Date

The Customization Milestone Chart defined in Subclause 2.2.3.2 hereunder shall define the date(s) by which the contractual definition of the A350-900 Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the “ **A350-900 Contractual Definition Freeze** ” or “ **CDF** ”) in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month.

2.2.3.2 Customization Milestone Chart

[***], the Seller shall provide the Buyer with a customization milestones chart (the “ **A350-900 Customization Milestone Chart** ”), setting out how far in advance of the Scheduled Delivery Month of the A350-900 Aircraft:

- the Buyer needs to take certain decisions and actions; and
- the Buyer needs to provide certain information and documentation; and
- the Buyer needs to notify the Seller of the BFE Premium Class Seats, together with the selected In-Flight Entertainment equipment (the “ **BFE IFE** ”), and associated BFE Suppliers selected by the Buyer, if applicable; such notification to be made in advance of the Initial Technical Coordination Meeting (ITCM); and
- the Buyer needs to notify the Seller of the ACS Seats, together with the selected In-Flight Entertainment equipment supplied by an ACS Supplier (the “ **ACS IFE** ”), and associated ACS Suppliers selected by the Buyer; such notification to be made in advance of the Cabin Definition Closure Meeting (CDCM); and
- the CDCM for ACS Equipment and the ITCM for BFE Premium Class Seats, if applicable, shall be held at the A350XWB Customer Definition Centre in Hamburg, Germany, [***], and
- SCNs must be executed in order to integrate into the A350-900 Aircraft Specification any items requested by the Buyer from the options set forth in the Seller’s A350XWB Family ADD applicable at the time of customization or any other items that the Buyer wishes to have installed in the A350-900 Aircraft as per Subclauses 2.2.4 and 18.

2.2.4 A350-900 Aircraft Cabin Customization

2.2.4.1 Notwithstanding Subclause 2.1.3.2, it is the Seller’s aim to provide the Buyer with flexibility with regard to the definition of the specification of the A350-900 Aircraft cabin, while maintaining the Scheduled Delivery Month of the A350-900 Aircraft. The Buyer may hence proceed with the definition of the cabin exclusively through the selection of catalogue cabin solutions and options (“ **Catalogue Items** ”) developed by the Seller in the A350XWB Family

ADD applicable at the time of customization, or may in addition thereto elect to opt for BFE Premium Class Seats, as defined in Subclause 2.2.4.2 hereunder.

2.2.4.2 Alternative BFE Premium Seats for First and Business Class

In addition to the Catalogue Items chosen in the A350XWB Family ADD as set forth in 2.2.4.1, the Buyer may submit to the Seller for consideration specific alternative BFE premium seats for first and business class (the “ **BFE Premium Class Seats** ”). Such BFE Premium Class Seats shall be subject to the provisions of Subclause 18.2, as well as the following prerequisites:

- they shall be manufactured exclusively by suppliers, who are qualified by the Seller as ACS Suppliers of seats; and
- they shall be compliant with the interfaces predefined by the Seller and communicated to the above ACS Suppliers; and
- any BFE IFE equipment to be incorporated into the BFE Premium Class Seats shall be exclusively BFE items developed by a qualified ACS Supplier.

If the Buyer does not, [***] prior to the ITCM, supply the Seller with the BFE Supplier Data necessary to successfully pass the first seat maturity gate of the BFE Premium Class Seats (the “ **BFE Supplier Data** ”) by the date set forth in the A350XWB Customization Milestone Chart, the Buyer shall be deemed to have chosen Catalogue Item application and any possibility of selecting BFE Premium Class Seats shall automatically lapse.

It is agreed and understood that it shall be the Buyer’s sole responsibility to ensure that all studies and engineering developments shall have been performed in due time, in anticipation of providing the corresponding BFE Engineering Definition for such BFE Premium Class Seats and associated BFE IFE equipment, including the associated Declaration of Design and Performance.

2.3 **Specification Amendment**

The parties understand and agree that the A350-900 Aircraft Specification and the A330-900neo Aircraft Specification may be further amended following signature of this Agreement in accordance with the terms of this Subclause 2.3.

2.3.1 Specification Change Notice

The Specification may be amended by written agreement between the parties in a Specification Change Notice (SCN). Each SCN will be substantially in the form set out in Exhibit B-1 and will set out the SCN’s Aircraft embodiment rank and will also set forth, in

detail, the particular change to be made to the Specification and the effect, if any, of such change on design, performance, weight, Delivery Date of the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment of the Base Price of the Aircraft, which adjustment, if any, will be specified in the SCN.

2.3.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement (“ **Development Changes** ”), as set forth in this Clause 2.

2.3.2.1 Manufacturer Specification Changes Notices

2.3.2.1.1 The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“ **MSCN** ”), which will be substantially in the form set out in Exhibit B-2 hereto and will set out the MSCN’s Aircraft embodiment rank as well as, in detail, the particular change to be made to the Specification and the effect, if any, of such change on performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby and interchangeability or replaceability requirements under the Specification.

2.3.2.1.2 Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN will be accomplished without requiring the Buyer’s consent, if the MSCN adversely affects the performance, weight, Base Price , Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, the Seller will notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such MSCN. If the Buyer does not notify the Seller of the rejection of the MSCN within such period, the MSCN will be deemed accepted by the Buyer and the corresponding modification will be accomplished.

2.3.2.2 In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on any of the elements set forth in Subclause 2.3.2.1 above, such revision will be performed by the Seller without the Buyer’s consent.

In such cases, the Buyer will have access to the details of such changes through the relevant application in AirbusWorld.

3. PRICE

3.1 A330-900neo Aircraft Price

3.1.1 The base price of the A330-900neo Aircraft (the “ **A330-900neo Aircraft Base Price** ”) is the sum of:

- (i) The base price of the A330-900neo Aircraft corresponding to the A330-900neo Standard Specification, including the A330-900neo Propulsion Systems, New Engine Option Changes and the design weights as set out in Subclause 2.1.1.2.2 (excluding Buyer Furnished Equipment), which is:

[***],

and

- (ii) The base price of the preliminary Specification Change Notices, as listed in Exhibit A-3, which for budgetary purposes can be estimated at:

[***]

3.1.2 The A330-900neo Aircraft Base Price has been established in accordance with the economic conditions prevailing in the Base Period.

3.1.3 [***]

3.1.4 A330-900neo Final Contract Price

The Final Contract Price of an A330-900neo Aircraft (the “ **A330-900neo Aircraft Final Contract Price** ”) shall be the sum of:

- (i) the A330-900neo Aircraft Base Price as adjusted to the Delivery Date of such Aircraft in accordance with Subclause 4.1; plus
- (ii) the aggregate of all increases or decreases to the A330-900neo Aircraft Base Price as agreed in any Specification Change Notice entered into pursuant to Subclause 2.3 after the date of execution of this Agreement and as adjusted to the Delivery Date in accordance with Subclause 4.1; plus
- (iii) any other amount resulting from any other provisions of the Agreement and/or any other written agreement between the Buyer and the Seller with respect to the A330-900neo Aircraft.

3.2 A350-900 Aircraft Price

3.2.1 The A350-900 Aircraft Base Price is the sum of:

- (i) the base price of the A350-900 Aircraft as defined in the A350-900 Standard Specification (excluding BFE and ACS Equipment) (the “ **A350-900 Aircraft Base Price** ”), which is :

[***]

- (ii) the sum of the base prices of any and all SCNs set forth in Exhibit A-4, which is :

[***]

3.2.2 The A350-900 Aircraft Base Price has been established in accordance with the economic conditions prevailing in the Base Period.

3.2.3 Airbus Contracted Supplier (“ ACS ”) Equipment Price

The conditions of purchasing of ACS Equipment for the A350-900 Aircraft shall be the subject of a separate agreement between the ACS Suppliers and the Buyer. The Buyer and each ACS Supplier shall jointly communicate to the Seller the price and the associated price revision conditions at which the Seller is to place the purchase order for each ACS Equipment.

Notwithstanding the foregoing, it is understood that ACS Equipment for the A350-900 Aircraft shall be purchased by the Seller, in accordance with the agreed terms as set forth in Subclause 2.2.1.3, and invoiced to the Buyer in accordance with Subclause 3.2.4(iii).

The following reference amounts (the “ **ACS Reference Price** ”) may be used as a budgetary guide for the ACS Equipment for the Buyer’s Aircraft:

[***]

at economic conditions prevailing in the Base Period.

3.2.4 A350-900 Final Contract Price

The Final Price of the A350-900 Aircraft (the “ **A350-900 Aircraft Final Contract Price** ”) shall be the sum of:

- (i) the A350-900 Aircraft Base Price as adjusted to the Delivery Date of such A350-900 Aircraft in accordance with Subclause 4.1; and
- (ii) the aggregate of all increases or decreases to the A350-900 Aircraft Base Price as agreed in any Specification Change Notice entered into pursuant to Subclause 2.3 after the date of execution of this Agreement as adjusted to the Delivery Date of such A350-900 Aircraft in accordance with Subclause 4.1; and
- (iii) the price of any and all ACS Equipment selected by the Buyer in the applicable Seller’s A350-900 Family Aircraft Description Document and purchased by the Seller, either at the catalogue price applicable at the time of the order (including any catalogue price revision applicable at the time of the purchase order) or at the price

and associated price revision conditions jointly communicated to the Seller by the Buyer and the respective ACS Suppliers as per Subclause 2.2.1.3; and

- (iv) any other amount resulting from any other provisions of the Agreement and/or any other written agreement between the Buyer and the Seller relating to the A350-900 Aircraft.

3.3 Taxes

- 3.3.1 The amounts stated in this Agreement to be payable by the Buyer are exclusive of value added tax (“ **VAT** ”) chargeable under the laws of any jurisdiction and accordingly the Buyer shall pay any VAT chargeable with respect to any Aircraft, component, accessory, equipment, part or service delivered or furnished under this Agreement
- 3.3.2 The Seller will pay all other Taxes (except for Taxes based on or measured by the income of the Buyer or any Taxes levied against the Buyer for the privilege of doing business in any jurisdiction), levied, assessed, charged or collected, on or prior to Delivery of any Aircraft, for or in connection with the manufacture, assembly, sale and delivery under this Agreement of such Aircraft or any parts, instructions or data installed thereon or incorporated therein (except Buyer Furnished Equipment referred to in Clause 18).
- 3.3.3 The Buyer will pay all Taxes not assumed by the Seller under Subclause 3.3.2, except for Taxes based on or measured by the income of the Seller or any Taxes levied against the Seller for the privilege of doing business in any jurisdiction.

“ **Taxes** ” means any present or future tax, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

4. PRICE REVISION

4.1 Airbus Price Revision Formula

The A330-900neo Aircraft Base Price and the A350-900 Aircraft Base Price as defined in Subclauses 3.1.1 and 3.2.1 respectively shall be revised to the actual Delivery Date of such A330-900neo Aircraft and A350-900 Aircraft, as applicable, in accordance with the Airbus Price Revision Formula set forth in Exhibit C.

5. PAYMENT TERMS

5.1 The Buyer shall pay all sums due hereunder in immediately available funds in United States dollars by credit to:

Beneficiary Name: AIRBUS
Account Identification: [***]
with:
[***]

5.2 Predelivery Payments

5.2.1 Predelivery Payments are non-refundable (although amounts equal to Predelivery Payments may be paid to the Buyer pursuant to Subclause 11.3) and shall be paid by the Buyer to the Seller for the Aircraft.

5.2.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

[***]

5.2.3 Predelivery Payments shall be paid according to the following schedule.

Payment Date		Percentage of Predelivery Payment Reference Price
[***]	[***]	[***]
[***]		
[***]		[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
TOTAL PAYMENT PRIOR TO DELIVERY		[***]

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of the Agreement.

- 5.2.4 The Seller shall be entitled to hold and use any Predelivery Payment as absolute owner thereof, subject only to the obligation to deduct an amount equal to Predelivery Payments from the Final Contract Price of the Aircraft, when calculating the balance of the Final Contract Price of such Aircraft. The Seller shall be under no obligation to segregate any Predelivery Payment, or any amount equal thereto, from the Seller's funds generally.

5.3 Payment of Final Contract Price

Concurrently with the Delivery of each Aircraft, the Buyer shall pay to the Seller the Final Contract Price therefor, less the total amount of the Predelivery Payments theretofore received by the Seller for such Aircraft under Subclause 5.2 above (the “ **Balance of the Final Contract Price** ”). The Seller's receipt of the full amount of such payments, including any amounts due under Subclause 5.5, shall be a condition precedent to the Seller's obligation to deliver such Aircraft.

5.4 Payment of Other Amounts

5.4.1 Application of Payments

[***]

5.4.2 Setoff Payments

[***]

5.5 Overdue Payments

If any payment due to the Seller is not received by the Seller on the date or dates due, the Seller will have the right to claim from the Buyer, and the Buyer will promptly pay to the Seller on receipt of such claim, interest at the rate of [***] per month on the amount of such overdue payment, [***]. The Seller's right to receive such interest will be in addition to any other rights of the Seller hereunder or at law.

5.6 Refund of Predelivery Payments

The Buyer shall have no right to any refund of any deposit or Predelivery Payment received by the Seller, [***].

5.7 Proprietary Interest

The Buyer shall not, by virtue of anything contained in the Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of the Agreement refer), and notwithstanding any provision of law to the contrary, acquire any proprietary, insurable or other interest whatsoever in any Aircraft prior to Delivery of and payment in full for such Aircraft as provided in the Agreement.

5.8 Tender of Delivery

In addition to any other rights and remedies available to the Seller, the Seller shall not be obligated to tender delivery of any Aircraft to the Buyer and shall have no further liability to the Buyer with respect thereto, if the Buyer fails to make any Predelivery Payment within [***] after written notice from the Seller or if the Seller has terminated the Agreement pursuant to Clause 21.

5.9 Payment in Full

Except as expressly provided herein (including, but not limited to Subclause 5.3), the Buyer's obligation to make payments to the Seller hereunder shall not be affected by and shall be determined without regard to any set off, counterclaim, recoupment, defense or other right that the Buyer may have against the Seller and all such payments shall be made without deduction or withholding of any kind.

5.10 [***]

5.10.1 [***]

5.10.2 [***]

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[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

6. PLANT REPRESENTATIVES - INSPECTION

6.1 Manufacture Procedures

The Airframe shall be manufactured in accordance with the requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliates and of the jurisdiction of the Delivery Location as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection Procedures

6.2.1 All work to be carried out on the Aircraft and all materials and parts thereof shall at all reasonable times during business hours be open to inspection by duly authorized representatives of the Buyer or its designee at the works of the Seller and, if possible, at the works of their respective subcontractors, and such representatives (subject to the indemnities set forth in Clause 20 herein) shall, to carry out the aforesaid inspection, have access to such relevant technical data as is reasonably necessary for this purpose (except that, if access to any part of the respective works where construction is in progress or materials or parts are stored is restricted for security reasons, the Seller shall be allowed a reasonable time to make the items available for inspection elsewhere).

The procedures for such inspections shall be agreed upon between the Seller's and the Buyer's representatives prior to any inspection, provided, however, any inspection shall be conducted pursuant to the Seller's system of inspection as developed under the supervision of the relevant Aviation Authority.

6.2.2 For the purposes of Subclause 6.2.1 above and commencing with the date of the Agreement until the Delivery of the last Aircraft, [***].

6.2.3 All inspections, examinations and discussions with the Seller or its subcontractors' engineering or other personnel by the Buyer and its said representatives shall be performed in such manner as not to unreasonably delay or hinder the work to be carried out on the Aircraft or the proper performance of the Agreement.

7. CERTIFICATION

Except as set forth in this Clause 7, the Seller shall not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Aircraft have been type certificated under EASA procedures for joint certification in the transport category. The Seller shall obtain or cause to be obtained an FAA type certificate (the “ **Type Certificate** ”) to allow the issuance of the Export Certificate of Airworthiness.

7.2 Export Certificate of Airworthiness

Subject to the provisions of Subclause 7.3, the Aircraft shall be delivered to the Buyer with an Export Certificate of Airworthiness issued by the Aviation Authority of the Delivery Location and in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the U.S. Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller shall have no obligation to make and shall not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements for operation specific to the Buyer’s routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller shall provide such data or implement the required modification to the data, in either case, at the Seller’s cost.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which the Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a “ **Change in Law** ”), the Seller shall make the required modification and the parties hereto shall sign an SCN or MSCN.

7.3.2 The Seller shall as far as practicable, but at its sole discretion and without prejudice to Subclause 7.3.3, take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

7.3.3 The cost of implementing the required modifications referred to in Subclause 7.3.1 will be:

(i) [***], and

(ii) [***].

7.3.4 Notwithstanding the provisions of Subclause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto shall be borne in accordance with such arrangements as may be made separately between the Buyer and the manufacturer of the BFE or the Propulsion System, as applicable, and the Seller shall have no obligation with respect thereto.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Subclause 7.3 shall require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Subclause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery shall be at the Buyer's expense.

8. THE BUYER'S ACCEPTANCE

8.1 Acceptance Procedures

8.1.1 The Seller or any Affiliate thereof acting as the Seller's designee shall give to the Buyer not less than [***] of the proposed time when Technical Acceptance Process of an Aircraft shall be conducted, and, in the event that the Buyer elects to attend such Technical Acceptance Process (as defined below), the Buyer shall comply with the reasonable requirements of the Seller with the intention of completing the Technical Acceptance Process within [***] after commencement. The Technical Acceptance Process shall take place at the Delivery Location, and shall be carried out by the personnel of the Seller (accompanied, if the Buyer so wishes, by representatives of the Buyer [***] shall have access to the cockpit at any one time). During flight tests, these representatives shall comply with the instructions of the Seller's representatives. The Seller shall not normally be required in the course of such Technical Acceptance Process to fly any of the Aircraft for more [***].

8.1.2 [INTENTIONALLY LEFT BLANK]

8.1.3 Prior to Delivery, the Aircraft shall undergo a technical acceptance process developed by the Seller (the " **Technical Acceptance Process** "). Completion of the Technical Acceptance Process shall demonstrate the satisfactory functioning of Aircraft and be considered to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller shall without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the non-compliance. [***].

8.1.4 In the event that the Buyer, after having received proper notice in accordance with Subclause 8.1.1, does not attend the Technical Acceptance Process scheduled for an Aircraft or fails to so cooperate, the Seller may complete any of them in the absence of the Buyer, whereupon the Buyer shall be deemed to have accepted the Technical Acceptance Process, if such Technical Acceptance Process demonstrates the satisfactory functioning of the Aircraft as aforesaid, and the Seller shall furnish such data with respect to such Technical Acceptance Process as the Buyer may reasonably request.

8.1.5 If the Technical Acceptance Process for an Aircraft is not successfully completed or there is a defect, the Seller,[***], shall give notice to the Buyer specifying such unsuccessful completion or defect. Thereafter the Seller shall, without hindrance from the Buyer, carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft for a new Technical Acceptance Process to demonstrate the elimination of the defect, such Technical Acceptance Process to be held and carried out in accordance with Subclause 8.1, provided, however, that rather than accept a delay in Delivery of any such Aircraft, the Buyer and the Seller may agree to deliver such Aircraft with subsequent correction of the defect by the Buyer at the Seller's expense in accordance with the provisions of Clause 12 herein.

8.2 Aircraft Utilization

The Seller will, without payment or other liability, be entitled to use the Aircraft before Delivery as may be necessary to obtain the certificates required under Clause 7. Such use will not limit the Buyer's obligation to accept Delivery hereunder.

[***]

8.3 Certificate of Acceptance

Following satisfactory completion of the Technical Acceptance Process and in accordance with the provisions of Subclause 9.2.1, the Buyer shall deliver to the Seller a signed Certificate of Acceptance in the form attached as Exhibit D in respect of the relevant Aircraft.

8.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft shall constitute waiver by the Buyer of any right it may have under the Uniform Commercial Code as adopted by the State of New York or otherwise to revoke such acceptance for any reason, whether known or unknown to the Buyer at the time of acceptance.

9. DELIVERY

9.1 Delivery Schedule

9.1.1 Subject to the provisions of the Agreement, the Seller shall have the Aircraft Ready for Delivery at the Delivery Location, and the Buyer shall accept the same, during the quarters set forth in the table below (each a “ **Scheduled Delivery Quarter** ”)

Rank	Aircraft type	Scheduled Delivery Period	Rank	Aircraft type	Scheduled Delivery Period
1	A350-900	2Q 2017	26	[***]	[***]
2	[***]	[***]	27	[***]	[***]
3	[***]	[***]	28	[***]	[***]
4	[***]	[***]	29	[***]	[***]
5	[***]	[***]	30	[***]	[***]
6	[***]	[***]	31	[***]	[***]
7	[***]	[***]	32	[***]	[***]
8	[***]	[***]	33	[***]	[***]
9	[***]	[***]	34	[***]	[***]
10	[***]	[***]	35	[***]	[***]
11	[***]	[***]	36	[***]	[***]
12	[***]	[***]	37	[***]	[***]
13	[***]	[***]	38	[***]	[***]
14	[***]	[***]	39	[***]	[***]
15	[***]	[***]	40	[***]	[***]
16	[***]	[***]	41	[***]	[***]
17	[***]	[***]	42	[***]	[***]
18	A330-900neo	[***] 2019	43	[***]	[***]
19	[***]	[***]	44	[***]	[***]
20	[***]	[***]	45	[***]	[***]
21	[***]	[***]	46	[***]	[***]
22	[***]	[***]	47	[***]	[***]
23	[***]	[***]	48	[***]	[***]
24	[***]	[***]	49	[***]	[***]
25	[***]	[***]	50	[***]	[***]

9.1.2 Not later than [***] prior to the start of the relevant Scheduled Delivery Quarter, the Seller shall give the Buyer notice of the anticipated month within the Scheduled Delivery Quarter during which each Aircraft shall be Ready for Delivery (the “ **Scheduled Delivery Month** ”) provided that no more than [***] shall be scheduled for Delivery pursuant to this Subclause 9.1.2 in any calendar month.

Until such notice, for the purpose of this Agreement, the middle month of the Scheduled Delivery Quarter shall be deemed to be the Scheduled Delivery Month.

- 9.1.3 Not later than [***] to the date scheduled for the Technical Acceptance Process set forth in Subclause 8.1.1 for a particular Aircraft, the Seller shall give the Buyer notice of whether it anticipates each Aircraft shall be Ready for Delivery in the first half or second half of the Scheduled Delivery Month.
- 9.1.4 Not later than [***] to the date scheduled for the Technical Acceptance Process set forth in Subclause 8.1.1 for a particular Aircraft, the Seller shall give the Buyer notice of the anticipated date on which each Aircraft shall be Ready for Delivery.

9.2 Title

- 9.2.1 The Buyer shall, within [***] after the date on which the Aircraft is Ready for Delivery, sign the Certificate of Acceptance, pay the Balance of the Final Contract Price and send its representatives to the Delivery Location to take Delivery of, and collect, the Aircraft.
- 9.2.2 The Seller shall deliver and transfer title to the Aircraft free and clear of all encumbrances to the Buyer provided that the Balance of the Final Contract Price has been paid by the Buyer pursuant to Subclause 5.3 and that the Certificate of Acceptance has been signed and delivered to the Seller pursuant to Subclause 8.3. The Seller shall provide the Buyer with a bill of sale as attached hereto in Exhibit E (the “ **Bill of Sale** ”) and/or other documents confirming transfer of title and receipt of the Balance of Final Price as may reasonably be requested by the Buyer.

- 9.2.3 9.2.3.1 Should the Buyer fail, within the period specified in Subclause 9.2.1, to:

- (i) deliver the signed Certificate of Acceptance to the Seller; or
- (ii) pay the Balance of the Final Contract Price for the Aircraft to the Seller and take Delivery of the Aircraft;

then (a) the Buyer shall be deemed to have rejected delivery of the Aircraft without warrant when duly tendered to it hereunder and (b) without prejudice to Subclause 5.5 and the Seller’s other rights under this Agreement or at law, the Buyer shall on demand reimburse the Seller for all reasonable costs and expenses (including, without limitation, costs and expenses attributable to storage, preservation and protection, insurance and taxes) actually sustained by the Seller and resulting from any such delay or failure. Such reimbursement shall be in addition to any other rights that the Seller may have as a result of any such delay or failure.

[***]

9.3 Flyaway

- 9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.
- 9.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer. The Buyer will make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10. EXCUSABLE DELAY AND TOTAL LOSS

10.1 Scope of Excusable Delay

Neither the Seller nor any Affiliate of the Seller, will be responsible for or be deemed to be in default on account of delays in delivery of the Aircraft or failure to deliver or otherwise in the performance of this Agreement or any part hereof due to causes beyond the Seller's, or any Affiliate's control or not occasioned by the Seller's, fault or negligence (" **Excusable Delay** "), including, but not limited to: (i) acts of God or the public enemy, natural disasters, fires, floods, storms beyond ordinary strength, explosions or earthquakes; epidemics or quarantine restrictions; serious accidents; any law, decision, regulation, directive or other act (whether or not having the force of law) of any government or of the Council of the European Community or the Commission of the European Community or of any national, Federal, State, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, domestic or foreign; governmental priorities, regulations or orders affecting allocation of materials, facilities or a completed Aircraft; war, civil war or warlike operations, terrorism, insurrection or riots; failure of transportation; strikes or labor troubles causing cessation, slow down or interruption of work; [***]; inability after due and timely diligence to procure materials, accessories, equipment or parts; general hindrance in transportation; or failure of a subcontractor or supplier to furnish materials, components, accessories, equipment or parts; (ii) any delay caused directly or indirectly by the action or inaction of the Buyer; and (iii) delay in delivery or otherwise in the performance of this Agreement by the Seller due in whole or in part to any delay in or failure of the delivery of, or any other event or circumstance relating to, [***].

10.2 Consequences of Excusable Delay

10.2.1 If an Excusable Delay occurs:

- (i) the Seller will notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;
- (ii) the Seller will not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;
- (iii) the Seller will not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay;
- (iv) the Seller will as soon as practicable after the removal of the cause of such delay resume performance of its obligations under this Agreement and in particular will notify the Buyer of the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

- 10.3.1 If any Delivery is delayed as a result of an Excusable Delay for a period of more than [***] after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft, by giving written notice to the other party within [***] after the expiration of such [***] period. However, the Buyer will not be entitled to terminate this Agreement pursuant to this Subclause 10.3.1 if the Excusable Delay is caused directly or indirectly by the action or inaction of the Buyer.
- 10.3.2 If the Seller advises the Buyer in its notice of a revised Scheduled Delivery Month pursuant to Subclause 10.2.1(iv) that there will be a delay in Delivery of an Aircraft of more than [***] after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft. Termination will be made by giving written notice to the other party within [***] after the Buyer's receipt of the notice of a revised Scheduled Delivery Month.
- 10.3.3 If this Agreement is not terminated under the terms of Subclause 10.3.1 or 10.3.2, then the Seller will be entitled to reschedule Delivery. The Seller will notify the Buyer of the new Scheduled Delivery Month after [***] referred to in Subclause 10.3.1 or 10.3.2, and this new Scheduled Delivery Month will be deemed to be an amendment to the applicable Scheduled Delivery Month in Subclause 9.1.

10.4 Total Loss, Destruction or Damage

If, prior to Delivery, any Aircraft is lost, destroyed or in the reasonable opinion of the Seller is damaged beyond economic repair (“ **Total Loss** ”), the Seller will notify the Buyer to this effect within [***] of such occurrence. The Seller will include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller's other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer and the Scheduled Delivery Month will be extended as specified in the Seller's notice to accommodate the delivery of the replacement aircraft; provided, however, that if the Scheduled Delivery Month is extended to a month that is later than [***] after the last day of the original Scheduled Delivery Month then this Agreement will terminate with respect to said Aircraft unless:

- (i) the Buyer notifies the Seller within [***] of the date of receipt of the Seller's notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller's notice; and
- (ii) the parties execute an amendment to this Agreement recording the change in the Scheduled Delivery Month.

Nothing herein will require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft that includes the Aircraft.

10.5 Termination Rights Exclusive

If this Agreement is terminated as provided for under the terms of Subclauses 10.3 or 10.4, such termination will discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished under the Agreement.

10.6 Remedies

THIS CLAUSE 10 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 11, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 10 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 10 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

11. INEXCUSABLE DELAY

11.1 Liquidated Damages

11.1.1 A330-900neo Aircraft

11.1.1.1 Should an A330-900neo Aircraft not be Ready for Delivery within [***] after the last day of the Scheduled Delivery Month of such A330-900neo Aircraft and such delay is not a result of an Excusable Delay or Total Loss, then such delay shall be termed an “ **Inexcusable Delay** ”. In the event of an Inexcusable Delay, then the Buyer shall have the right to claim, and the Seller shall pay by way of liquidated damages to the Buyer for each day of delay in the Delivery commencing on the date falling [***] after the last day of the Scheduled Delivery Month:

[***]

The Buyer's right to be paid damages in respect of the A330-900neo Aircraft is conditional upon the Buyer submitting a claim in respect of such liquidated damages in writing to the Seller not later than [***] after the last day of the Scheduled Delivery Period.

11.1.2 A350-900 Aircraft

11.1.2.1 Should an A350-900 Aircraft not be Ready for Delivery within [***] after the last day of the Scheduled Delivery Month of such A350-900 Aircraft due to an Inexcusable Delay, then the Buyer shall have the right to claim, and the Seller shall pay by way of liquidated damages to the Buyer for each day of delay in the Delivery commencing on the date falling [***] after the last day of the Scheduled Delivery Month:

[***]

11.1.3 The Buyer's right to be paid damages in respect of the A350-900 Aircraft is conditional upon the Buyer submitting a claim in respect of such liquidated damages in writing to the Seller not later than [***] after the last day of the Scheduled Delivery Period of the affected A350-900 Aircraft.

11.2 Renegotiation

If, as a result of an Inexcusable Delay, the Delivery of an Aircraft does not occur within [***] after the last day of the Scheduled Delivery Period, the Buyer will have the right, exercisable by written notice to the Seller given between [***] and [***] after lapse of such

[***] period to require from the Seller a renegotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said renegotiation will not prejudice the Buyer's right to receive liquidated damages in accordance with Subclauses 11.1.1 and 11.1.2.

11.3 Termination

If, as a result of an Inexcusable Delay, the Delivery of an Aircraft does not occur within [***] after the last day of the Scheduled Delivery Period and the parties have not renegotiated the Delivery Date pursuant to Subclause 11.2, then both parties will have the right exercisable by written notice to the other party, given between [***] after the lapse of such [***] period, to terminate this Agreement in respect of the affected Aircraft. In the event of termination, neither party will have any claim against the other, [***].

11.4 Remedies

THIS CLAUSE 11 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 10, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING WITHOUT LIMITATION ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 11 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 11 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

12. WARRANTIES AND SERVICE LIFE POLICY

12.1 Standard Warranty

12.1.1 Nature of Warranty

Subject to the limitations and conditions as hereinafter provided, and except as provided in Subclause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part shall at the time of delivery to the Buyer:

- (i) be free from defects in material,
- (ii) be free from defects in workmanship, including, without limitation, processes of manufacture,
- (iii) be free from defects in design (including, without limitation, selection of materials) having regard to the state of the art at the date of such design, and
- (iv) be free from defects arising from failure to conform to the Specification, except as to those portions of the Specification where it is expressly stated that such portions of the Specification are estimates or approximations or design aims.

For the purposes of the Agreement, the term “ **Warranted Part** ” shall mean any Seller proprietary component, equipment, accessory or part that is installed on an Aircraft at the time of delivery of such Aircraft and that (a) is manufactured to the detail design of the Seller or a subcontractor of it and (b) bears a part number of the Seller at the time of such delivery.

12.1.2 Exceptions

The warranties set forth in Subclause 12.1.1 shall not apply to Buyer Furnished Equipment, nor to the engines and its associated parts, nor to any component, accessory, equipment or part purchased by the Buyer that is not a Warranted Part, provided, however, that:

- (i) any defect in the Seller’s workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items that invalidates any applicable warranty from such manufacturers, shall constitute a defect in workmanship for the purpose of this Subclause 12.1 and be covered by the warranty set forth in Subclause 12.1.1(ii), and
- (ii) any defect inherent in the Seller’s design of the installation, in view of the state of the art at the date of such design, that impairs the use of such items shall constitute a defect in design for the purposes of this Subclause 12.1 and be covered by the warranty set forth in Subclause 12.1.1(iii).

12.1.3 Warranty Period

The warranties described in Subclauses 12.1.1 and 12.1.2 hereinabove shall be limited to those defects that become apparent within [***] after delivery of the affected A330-900neo Aircraft or [***] after delivery of the affected A350-900 Aircraft.

12.1.4 Buyer's Remedy and Seller's Obligation

12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Subclauses 12.1.1 and 12.1.2 hereinabove are limited to, at the Seller's expense and option, the repair, replacement or correction of, or the supply of modification kits rectifying the defect to, any defective Warranted Part. Alternatively, the Seller may at its sole option furnish a credit to the Buyer for the future purchase of Material equal to the price at which the Buyer is then entitled to acquire a replacement for the defective Warranted Part. Nothing herein contained shall obligate the Seller to correct any failure to conform to the Specification with respect to components, equipment, accessories or parts that the parties agree in writing at the time of delivery of the affected Aircraft are acceptable deviations or have no material adverse effect on the use, operation or performance of an Aircraft.

12.1.4.2 In the event a defect covered by Subclause 12.1.1(iii) becomes apparent within the applicable period set forth in Subclause 12.1.3, and the Seller is obligated to correct such defect, the Seller shall also, if so requested by the Buyer in writing and following consultation between Buyer and Seller, make such correction in any Aircraft that has not already been delivered to the Buyer. However, the Seller shall not be responsible nor deemed to be in default on account of any delay in delivery of any Aircraft or otherwise, in respect of performance of the Agreement, due to the Seller's undertaking to make such correction and, rather than accept a delay in delivery of any such Aircraft, the Buyer and the Seller may agree to deliver such Aircraft with subsequent correction of the defect by the Buyer at the Seller's expense, or the Buyer may elect to accept delivery and thereafter file a Warranty Claim as though the defect had become apparent immediately after delivery of such Aircraft.

12.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Subclause 12.1, with respect to each claimed defect, are subject to the following conditions precedent:

- (i) the existence of a defect covered by the provisions of this Subclause 12.1,
- (ii) the defects having become apparent within the applicable warranty period, as set forth in Subclause 12.1.3.,
- (iii) the Buyer's having submitted to the Seller proof reasonably satisfactory to the Seller that the claimed defect is due to a matter embraced within this Subclause 12.1, and

that such defect did not result from any act or omission of the Buyer, including, but not limited to, any failure to operate and maintain the affected Aircraft or part thereof in accordance with the standards or any matter set forth or covered in Subclause 12.1.10.

- (iv) the Buyer's having returned as soon as reasonably practicable the Warranted Part claimed to be defective to such repair facilities as may be designated by the Seller, except where the Buyer elects to repair a defective Warranted Part in accordance with the provisions of Subclause 12.1.7, and
- (v) the Seller's having received a Warranty Claim fulfilling the conditions of and in accordance with the provisions of Subclause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Subclause 12.1 shall be administered as hereinafter provided:

(i) Claim Determination

Warranty Claim determination by the Seller shall be reasonably based upon the claim details, reports from the Seller's regional representative, historical data logs, inspections, tests, findings during repair, defect analysis and other suitable documents and information.

(ii) Transportation and Insurance Costs

Transportation and insurance costs (including all applicable duties) for sending a defective Warranted Part to the facilities designated by the Seller [***].

(iii) Return of an Aircraft

In the event that the Buyer desires to return an Aircraft to the Seller for consideration of a Warranty Claim, [***].

(iv) On-Aircraft Work by the Seller

In the event that a defect necessitates the dispatch by the Seller of a working team to repair or correct such defect at the Buyer's facilities, or in the event that the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, [***].

Any work performed by the Seller to rectify defects, which if performed by the Buyer would not be eligible for a warranty credit under the terms of Subclause 12.1.7(v), shall be at the Buyer's expense. [***].

The Seller shall perform on-Aircraft work, subject to either of the following conditions being met:

(a)[***], such work must require the technical expertise of the Seller, or

(b)both of

(i) [***]

(ii) [***]

If the Seller is requested to perform the work, the Seller and the Buyer shall agree on a schedule and place for the work to be performed.

(v) Warranty Claim Substantiation

In connection with each claim by the Buyer under this Subclause 12.1, the Buyer shall file a claim on the Buyer's form (" **Warranty Claim** ") within [***] after such defect becomes apparent. Such form must contain at least the following (to the extent such data is available):

(a)description of defect and action taken, if any,

(b)date of incident and/or of removal,

(c)description of the defective part,

(d)part number,

(e)serial number (if applicable),

(f)position on Aircraft,

(g)total flying hours or calendar times, as applicable, at the date of appearance of a defect,

(h)time since last shop visit at the date of defect appearance,

(i)Manufacturer's serial number of the Aircraft and/or its registration number,

(j)Aircraft total flying hours and/or number of landings at the date of defect appearance,

(k)Warranty Claim number,

(l)date of Warranty Claim, and

(m)date of delivery of an Aircraft or part to the Buyer.

and in the case of a Warranty Claim under Subclause 12.1.7, the additional data required under Subclause 12.1.7(iv).

Warranty Claims are to be addressed as follows:

Airbus Customer Services Directorate
Warranty Administration
Rond-Point Maurice Bellonte
B.P. 33
F-31707 Blagnac Cedex
FRANCE

or any other address of which the Seller provides three (3) Business Days' notice to the Buyer.

[***]

(vi) Replacements

Replacements made pursuant to this Subclause 12.1 shall be made within the lead time defined in the Seller's Spare Parts Price Catalog. Replaced components, equipment, accessories or parts shall become the Seller's property.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part returned by the Buyer to the Seller shall at all times remain with the Buyer, except that (i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller shall have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller shall not be liable for loss of use, and (ii) title to and risk of loss of a returned component, accessory, equipment or part shall pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor. Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Subclause 12.1, title to and risk of loss of such component, accessory, equipment or part shall pass to the Buyer.

(vii) Rejection

The Seller shall provide reasonable written substantiation in case of rejection of a claim. [***]

(viii) Inspection

The Seller shall have the right to inspect the affected Aircraft and documents and other records relating thereto in the event of any claim under this Subclause 12.1.

12.1.7 In-house Warranty

(i) Authorization

The Buyer is hereby authorized to perform the repair of Warranted Parts, subject to the terms of this Subclause 12.1.7 (“ **In-house Warranty** ”). The Buyer shall notify the Seller’s representative of its decision to perform any in-house repairs before such repairs are commenced, unless it is not practical to do so, in which case the Buyer shall notify the Seller of the in-house repair as soon as reasonably practicable.

(ii) Conditions of Authorization

The Buyer shall be entitled to the benefits under this Subclause 12.1.7 for repair of Warranted Parts:

(a) only if adequate facilities and qualified personnel are available to the Buyer,

(b) in accordance with the Seller’s written instructions set forth in documents such as the Aircraft Maintenance Manual, Component Maintenance Manual (Manufacturer), Component Maintenance Manual (Vendor) and Structural Repair Manual, and

(c) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Subclause 12.1.10..

(iii) Seller’s Rights

The Seller shall have the right, provided that no unreasonable delay shall result, to have any Warranted Part, or any part removed therefrom, which is claimed to be defective, returned to the Seller, as set forth in Subclause 12.1.6(ii), if, in the reasonable judgment of the Seller, the nature of the defect requires technical investigation.

The Seller shall further have the right, provided that no unreasonable delay shall result, to have a representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective.

(iv) In-house Warranty Claim Substantiation

Claims for In-house Warranty credit shall be filed within the time period set forth in and shall contain the same information required in, Warranty Claims under Subclause 12.1.6(v) and in addition shall include:

(a) a report of technical findings with respect to the defect,

(b) for parts required to remedy the defect:

- part numbers,
 - serial numbers (if applicable),
 - description of the parts,
 - quantity of parts,
 - unit price of parts,
 - total price of parts,
 - related Seller's or third party's invoices (if applicable),

(c) detailed number of labor hours,

(d) agreed In-house Warranty Labor Rate (defined below in Subclause 12.1.7(v)(a)), and

(e) total claim value.

(v) Credit

The Buyer's sole remedy, and the Seller's sole obligation and liability, in respect of In-house Warranty claims, shall be a credit to the Buyer's account in U.S. Dollars. The credit to the Buyer's account shall be equal to the direct labor cost expended in performing a repair and to the direct cost of materials incorporated in the repair. Such costs shall be determined as set forth below.

(a) To determine direct labor costs, only man hours spent on [***] of the Warranted Part alone shall be counted. Man hours required for maintenance work concurrently being carried out on the Aircraft or Warranted Part shall not be included.

(b) The man hours counted as set forth above shall be multiplied by an agreed labor rate representing [***] of the Buyer's composite average hourly labor

rate (excluding all fringe benefits, premium time allowances, social security charges, business taxes and similar items) paid to the Buyer's employees whose jobs are directly related to the performance of the repair (the "**In-house Warranty Labor Rate**").

(c) Direct material costs are determined by the prices at which the Buyer acquired such material, excluding any parts and materials used for overhaul and furnished free of charge by the Seller.

(vi) Limitation on Credit

The Buyer shall in no event be credited for repair costs (including labor and material) for any Warranted Part exceeding [***] of the Seller's then current catalog price for a replacement of such defective Warranted Part.

Such cost shall be substantiated in writing by the Seller upon reasonable request by the Buyer.

(vii) Scrapped Material

The Buyer shall retain any Warranted Part defective beyond economic repair and any defective part removed from a Warranted Part during repair until the earlier of [***] after submission of a claim for In-house Warranty credit relating thereto or the Seller's written advice to the Buyer that such Warranted Part should be scrapped. Such parts shall be returned to the Seller within [***] of receipt of the Seller's request to that effect.

Notwithstanding the foregoing, the Buyer may, with the agreement of the Seller's Field Representative, scrap any such defective parts that are beyond economic repair and not required for technical evaluation.

[***]

(viii) LIMITATIONS ON LIABILITY OF SELLER

THE SELLER SHALL NOT BE LIABLE FOR ANY RIGHT, CLAIM OR REMEDY, AND THE BUYER SHALL INDEMNIFY THE SELLER AGAINST THE CLAIMS OF ANY THIRD PARTIES FOR ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS SUBCLAUSE 12.1.7 WHICH WAS NOT IN COMPLIANCE WITH THE TERMS

THEREOF, INCLUDING BUT NOT LIMITED TO: (I) LIABILITY IN CONTRACT OR TORT, (II) LIABILITY ARISING FROM THE BUYER'S ACTUAL OR IMPUTED NEGLIGENCE, INTENTIONAL TORTS AND/OR STRICT LIABILITY, AND/OR (III) LIABILITY TO ANY THIRD PARTIES.

12.1.8 Standard Warranty Transferability

The warranties provided for in this Subclause 12.1 for any Warranted Part shall accrue to the benefit of any airline in revenue service other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer or upon the Buyer's sale of the Aircraft to any such airline in accordance with Subclause 19.3, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to applicable laws or regulations.

12.1.9 Warranty for Corrected, Replacement or Repaired Warranted Parts

Whenever any Warranted Part that contains a defect for which the Seller is liable under Subclause 12.1 has been corrected, repaired or replaced pursuant to the terms of this Clause 12, the period of the Seller's warranty with respect to such corrected, repaired or replacement Warranted Part, whichever may be the case, shall be the remaining portion of the original warranty in respect of such corrected, repaired or replacement Warranted Part. In the event that a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect shall not be allowable, notwithstanding any subsequent correction or repairs, and shall immediately terminate the remaining warranties under this Subclause 12.1 in respect of the affected Warranted Part.

12.1.10 Good Airline Operation - Normal Wear and Tear

The Buyer's rights under this Subclause 12.1 are subject to the Buyer using commercially reasonable measures to maintain, overhaul, repair and operate the Aircraft and each component, equipment, accessory and part thereof in accordance with good commercial airline practice [***], all technical documentation and maintenance recommendations of the Seller, the Suppliers or the manufacturer of the Propulsion System and its associated parts, [***] and all applicable rules, regulations and directives of the FAA.

The Seller's liability under this Subclause 12.1 shall not extend to normal wear and tear nor to:

- (i) any Aircraft or component, equipment, accessory or part thereof that has been repaired, altered or modified after delivery by a party other than the Seller or in a manner other than that set forth in Subclause 12.1.7 or otherwise approved by the Seller or otherwise approved by the Seller;

- (ii) any Aircraft or component, equipment, accessory or part thereof that has been operated in a damaged state; or
- (iii) any component, equipment, accessory or part from which the trademark, trade name, part or serial number or other identification marks have been removed.

[***]

12.2 Seller Service Life Policy

In addition to the warranties set forth in Subclause 12.1 above, the Seller further agrees that should a Failure (as defined below) occur in any Item (as defined below), then, subject to the general conditions and limitations set forth in Subclause 12.2.4 below, the provisions of this Subclause 12.2 shall apply.

12.2.1 Definitions

For the purposes of this Subclause 12.2, the following definitions shall apply:

- 12.2.1.1 “ **Item** ” means any of the Seller components, equipment, accessories or parts listed in Exhibit F hereto which are installed on an Aircraft at any time during the period of effectiveness of the Service Life Policy as defined below in Subclause 12.2.2.
- 12.2.1.2 “ **Failure** ” means any breakage of, or defect in, an Item that has occurred, that can reasonably be expected to occur on a repetitive or fleetwide basis, and that materially impairs the utility or safety of the Item, [***].

12.2.2 Periods and Seller’s Undertaking

Subject to the general conditions and limitations set forth in Subclause 12.2.4 below, the Seller agrees that if a Failure occurs in an Item within [***] after the delivery of said Aircraft to the Buyer, the Seller shall, at its own discretion, as promptly as practicable and for a price that reflects the Seller’s financial participation in the cost as hereinafter provided, either:

- (a) design and furnish to the Buyer a correction for such Item subject to a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts unless a part of an Item), or,
- (b) replace such Item.

12.2.3 Seller’s Participation in the Cost

Any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer at the Seller's current sales price therefor, less the Seller's financial participation, which shall be determined in accordance with the following formula:

[***]

12.2.4 General Conditions and Limitations

12.2.4.1 Notwithstanding Subclause 12.2.3, the undertakings given in this Subclause 12.2 shall not be valid during the period applicable to an Item under Subclause 12.1.

12.2.4.2 The Buyer's remedy and the Seller's obligation and liability under this Service Life Policy are subject to compliance by the Buyer with the following conditions precedent:

- (i) The Buyer shall maintain log books and other historical records with respect to each Item adequate to enable determination as to whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the cost to be borne by the Seller in accordance with Subclause 12.2.3 above.
- (ii) The Buyer shall keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded, if the failure to so inform the Seller materially prejudices the Seller's position.
- (iii) The conditions of Subclause 12.1.10 shall have been complied with.
- (iv) The Buyer shall carry out specific structural inspection programs for monitoring purposes as may be established by the Seller. Such programs shall be, to the extent possible, compatible with the Buyer's operational requirements and shall be carried out at the Buyer's expense. Reports relating thereto shall be regularly furnished to the Seller.
- (v) In the case of any breakage or defect, the Buyer shall report the same in writing to the Seller within [***] after any breakage or defect in an Item becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other Aircraft, and the Buyer shall inform the Seller in sufficient detail about the breakage or defect to enable the Seller to determine whether said breakage or defect is subject to this Service Life Policy.

12.2.4.3 Except as otherwise provided in this Subclause 12.2, any claim under this Service Life Policy shall be administered as provided in, and shall be subject to the terms and conditions of, Subclause 12.1.6.

12.2.4.4 In the event that the Seller shall have issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller shall offer to supply to the Buyer the necessary modification kit free of charge or under a pro rata formula established by mutual agreement between the Buyer and the Seller. If such a kit is so offered to the Buyer, then, in respect of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Subclause 12.2 shall be subject to the Buyer's incorporating such modification in the relevant Aircraft, within a reasonable time, as promulgated by the Seller and in accordance with the Seller's instructions.

12.2.4.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS SUBCLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED IN THIS SUBCLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NONPERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY SHALL BE IN MONETARY DAMAGES, LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NONPERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS SUBCLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN SUBCLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

12.2.5 Transferability

Except as provided in Subclause 19.3, the Buyer's rights under this Subclause 12.2 shall not be assigned, sold, leased, transferred or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

Any unauthorized assignment, sale, lease, transfer or other alienation of the Buyer's rights under this Service Life Policy shall, as to the particular Aircraft involved, immediately void this Service Life Policy in its entirety.

12.3 Supplier and ACS Supplier Warranties

12.3.1 Seller's Support

Prior to delivery of the first Aircraft under the Agreement, the Seller shall obtain from all Suppliers listed in the Supplier Product Support Agreements enforceable and transferable warranties and indemnities against patent infringements for all of the components, equipment, accessories and parts of the Suppliers that are installed in an Aircraft at the time of delivery thereof (“ **Supplier Parts** ”), it being understood that the term “Supplier Parts” shall not include the Propulsion Systems, ACS Equipment, Buyer Furnished Equipment or other equipment selected by the Buyer to be supplied by Suppliers with whom the Seller has no existing enforceable warranty agreements. The Seller shall also obtain enforceable and transferable Supplier service life policies from landing gear Suppliers for structural landing gear elements. In accordance with Clause 17, the Seller undertakes to supply to the Buyer such Supplier warranties, including, if applicable, warranties that the Seller has obtained for ACS Equipment pursuant to the Airbus Contracted Supplier Support Agreements and Supplier service life policies and indemnities against patent infringements substantially in the form summarized in the Supplier Product Support Agreements.

12.3.2 Supplier's Default

12.3.2.1 In the event that any Supplier under any standard warranty or indemnity against patent infringements obtained by the Seller pursuant to Subclause 12.3.1 or Subclause 13.1 hereof defaults in the performance of any material obligation under such warranty or indemnity against patent infringements with respect to a Supplier Part, and the Buyer submits within a reasonable time to the Seller reasonable proof that such default has occurred, then Subclause 12.1 or Clause 13 of the Agreement shall apply to the extent the same would have been applicable had such Supplier Part been a Warranted Part except that, for obligations covered under Subclause 12.1, the shorter of (i) the Supplier's warranty period as indicated in the Supplier Product Support Agreements and (ii) the Seller's warranty period as indicated in Subclause 12.1.3 of the Agreement shall apply.

12.3.2.2 In the event that any Supplier under any Supplier Service Life Policy obtained by the Seller pursuant to Subclause 12.3 hereof defaults in the performance of any material obligation with respect thereto, and the Buyer submits within reasonable time to the Seller reasonable proof that such default has occurred, then Subclause 12.2 of the Agreement shall apply to the extent the same would have been applicable had such component, equipment, accessory or part been listed in Exhibit F hereto.

12.3.2.3 At the Seller's request, the Buyer shall assign to the Seller, and the Seller shall be subrogated to, all of the Buyer's rights against the relevant Supplier, with respect to and arising by reason of such default and the Buyer shall provide reasonable assistance to enable the Seller to enforce the rights so assigned.

12.3.3 ACS Supplier Warranties

12.3.2.2 ACS Supplier's Default

The Buyer hereby:

- (a) agrees and acknowledges that it shall have no right of recourse against the Seller with respect to any default by an ACS Supplier; and
- (b) waives to the fullest extent permitted by applicable law any right of recourse against the Seller (in contract and/or at law) with respect to any default by an ACS Supplier,

in each case, following transfer by the Seller to the Buyer of warranties that the Seller has obtained for ACS Equipment pursuant to Airbus Contracted Suppliers Support Agreements.

12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction (including any unexplainable occurrence), the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer, but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft (an “ **Interface Problem** ”), the Seller shall, if requested by the Buyer, and without additional charge to the Buyer, except for transportation of the Seller’s personnel to the Buyer’s facilities, promptly conduct or have conducted an investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible, provided, however, that if the Seller determines, after such due and reasonable investigation, that the Interface Problem was due to or caused by any default by the Buyer in performance of its obligations hereunder, the Buyer shall pay to the Seller all reasonable costs and expenses incurred by the Seller during such investigation. The Buyer shall furnish to the Seller all data and information in the Buyer’s possession relevant to the Interface Problem and shall cooperate with the Seller in the conduct of the Seller’s investigations and such tests as may be required.

At the conclusion of such investigation the Seller shall promptly advise the Buyer in writing of the Seller’s opinion as to the cause or causes of the Interface Problem and the Seller’s recommendations as to corrective action.

12.4.2 Seller’s Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller shall, if requested by the Buyer and following consultation

between the Buyer and the Seller, correct the design of such Warranted Part, pursuant to the terms and conditions of Subclause 12.1.

12.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a component, equipment, accessory or part other than a Warranted Part (“ **Supplier Component** ”), the Seller shall, if requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the manufacturer of such Supplier Component.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Component, the Seller shall, if requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved. The Seller shall promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal shall be consistent with any then existing obligations of the Seller hereunder and of any such Supplier to the Buyer. Such corrective action, when reasonably accepted by the Buyer, shall constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

12.4.5.1 All requests under this Subclause 12.4 shall be directed both to the Seller and the affected Suppliers.

12.4.5.2 Except as specifically set forth in this Subclause 12.4, this Subclause 12.4 shall not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in the Agreement.

12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Subclause 12.4 shall be deemed to be delivered under the Agreement and shall be subject to the terms, covenants and conditions set forth in this Clause 12 and in Subclause 22.7.

12.5 EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY

THIS CLAUSE 12 (INCLUDING ITS SUBPROVISIONS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY

KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART OR SERVICE DELIVERED UNDER THIS AGREEMENT.

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS CLAUSE 12 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE GOODS AND SERVICES SUPPLIED UNDER THIS AGREEMENT. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART OR SERVICE DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:
 - (a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;

- (b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;
- (c) LOSS OF PROFITS AND/OR REVENUES;
- (d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES AND SERVICE LIFE POLICY PROVIDED BY THIS AGREEMENT SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS CLAUSE 12 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS CLAUSE 12 SHALL REMAIN IN FULL FORCE AND EFFECT.

12.6 Duplicate Remedies

The remedies provided to the Buyer under this Clause 12 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer shall be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any such particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer shall not be entitled to elect a remedy under one part of this Clause 12 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties shall be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer shall not have any right to require specific performance by the Seller, except that the Buyer shall be entitled to seek specific performance of the Seller's obligations under this Clause 12 in the event of any default by the Seller in the performance of such obligations.

12.7 Negotiated Agreement

The Buyer and the Seller agree that this Clause 12 has been the subject of discussion and negotiation and is fully understood by the parties and that the price of the Aircraft and the other mutual agreements of the parties set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the Exclusivity of Warranties and General Limitations of Liability provisions and the Duplicate Remedies provisions set forth in Subclause 12.5 and following Subclause 12.6.

13. PATENT INDEMNITY

13.1 Scope

Subject to the terms, conditions, limitations and restrictions (including, but not limited to, the Exclusivity of Warranties and Duplicate Remedies provisions) as hereinafter set out, and that the same are in full force and effect and have not been amended, the Seller shall indemnify the Buyer from and against any damages, costs and expenses including reasonable legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of any Aircraft) in case of any actual or alleged infringement by any Aircraft or any Warranted Part or the use thereof of:

- (i) any British, French, German, Spanish or US patent, or
- (ii) any patent issued under the laws of any other country in which the Buyer may lawfully operate the Aircraft, provided that:
 - (a) from the time of design of such Aircraft, accessory, equipment or part and until infringement claims are resolved, such country and the flag country of the Aircraft is each a party to the Chicago Convention on International Civil Aviation of December 7, 1944, and is fully entitled to all benefits of Article 27 thereof, or in the alternative,
 - (b) from such time of design and until infringement claims are resolved, such country and the flag country of the Aircraft is each a party to the International Convention for the Protection of Industrial Property of March 20, 1883 (known as the “**Paris Convention**”).

The Seller’s undertaking under this Clause 13 shall not apply to (i) Buyer Furnished Equipment or Propulsion Systems, (ii) components, accessories, equipment or parts which are not Warranted Parts or not supplied pursuant to a Supplier Product Support Agreement, or (iii) software not developed or created by the Seller.

13.2 Seller’s Action

Should the Buyer be enjoined from using any part of an Aircraft by reason of infringement of a patent covered by Subclause 13.1, the Seller shall, at its option and expense, either (i) procure for the Buyer the right to use such part free of any liability for patent infringement or (ii) as soon as possible replace such part with a noninfringing substitute otherwise complying with the requirements of this Agreement.

13.3 Seller’s Obligation

The Seller’s obligation hereunder with respect to any actual or alleged infringement is conditioned upon commencement of suit against the Buyer for infringement or the Buyer’s

receipt of a written claim alleging infringement, and upon written notice by the Buyer to the Seller [***] after receipt by the Buyer of notice of the institution of such suit or receipt of such claim, giving particulars thereof. The Seller shall have the option but not the obligation at any time to conduct negotiations with the party or parties charging infringement and may intervene in any claim or suit commenced. Whether or not the Seller intervenes in any such claim or suit, it shall be entitled at any stage of the proceedings to assume, conduct or control the defense or settlement thereof.

The Seller's obligation hereunder with respect to any actual or alleged infringement is also conditioned upon (i) the Buyer's promptly furnishing to the Seller all the data, papers, records and other assistance within the control of the Buyer material to the resistance of or defense against any such charge or suits for infringement, (ii) the Buyer's use of diligent efforts in full cooperation with the Seller to reduce royalties, damages, costs and expenses involved, (iii) the Seller's prior approval of the Buyer's payment, assumption or admission of any liabilities, expenses, costs or royalties for which the Seller is asked to respond and (iv) the Buyer's not otherwise acting in a manner prejudicial to its or the Seller's defense of the action. The Buyer also agrees to co-operate with, and render assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim.

13.4 WAIVER

The Seller's liability hereunder shall be conditional upon the timely compliance by the Buyer with the terms of this Clause 13 and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

THE INDEMNITY PROVIDED IN THIS CLAUSE 13 AND THE OBLIGATIONS AND LIABILITIES OF THE SELLER UNDER THIS CLAUSE 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES ON THE PART OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM OR WITH RESPECT TO LOSS OF USE OR REVENUE OR CONSEQUENTIAL DAMAGES), WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT OR INFRINGEMENT BY ANY AIRCRAFT, ACCESSORY, EQUIPMENT, SOFTWARE OR PART, OR THE USE OR SALE THEREOF, PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS SUBCLAUSE 13.4 SHALL REMAIN IN FULL FORCE AND EFFECT. THIS PATENT INDEMNITY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER.

14. TECHNICAL PUBLICATIONS

14.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (together with any revisions thereto (the “ **Technical Data** ”) and software services described hereunder (hereinafter “ **Software Services** ”) to support the Aircraft operation.

14.1.1 Except as otherwise set forth in this Clause 14, the Technical Data shall be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under the Agreement are outlined in Exhibits G-1 and G-2 hereto. In respect of the A350-900 Aircraft, all Technical Data shall be available on-line as set forth in Subclause 14.4. For purposes of this Agreement, Technical Data provided off-line shall relate only to the A330-900neo Aircraft.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer’s Aircraft, the Buyer agrees to the allocation of fleet serial numbers (“ **Fleet Serial Numbers** ”) in the form of blocks of numbers selected in the range from 0001 to 9999.

14.2.2 The sequence shall not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer shall indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Subclause 9.1 no later than [***] before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data shall constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in the Agreement.

The customized Technical Data that are affected thereby are the following:

- Aircraft Maintenance Manual,
- Illustrated Parts Catalogue,
- Trouble Shooting Manual,
- Aircraft Wiring Manual,
- Aircraft Schematics Manual, and
- Aircraft Wiring Lists.

14.3 Integration of Equipment Data

14.3.1 Supplier Equipment

Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Seller Service Bulletins thereafter, shall be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, at no additional charge to the Buyer.

14.3.2 Airbus Contracted Supplier Equipment

The Seller shall introduce Airbus Contracted Supplier Equipment data, for ACS Equipment that is installed on the A350-900 Aircraft by the Seller, into the customized Technical Data, [***] to the Buyer for the initial issue of the Technical Data provided at or before Delivery of the first A350-900 Aircraft.

14.3.3 Buyer Furnished Equipment

14.3.3.1 The Seller shall introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter “ **BFE Data** ”) into the customized Technical Data, at no additional charge to the Buyer for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft provided such BFE Data is provided in accordance with the conditions set forth in Subclauses [***] through [***].

14.3.3.2 The Buyer shall supply, or shall cause the BFE Supplier(s) to supply on its behalf, the BFE Data to the Seller at least [***] prior to the Scheduled Delivery Month of the first Aircraft. If the Buyer does not supply such BFE Data to the Seller by such time, then the Seller shall, at no additional cost to the Buyer, incorporate such BFE Data at the first scheduled revision following [***]s after the date the BFE Data is provided.

14.3.3.3 The Buyer shall supply the BFE Data to the Seller in English and in compliance with the then applicable revision of ATA Specification 2200 (iSpec 2200), Information Standards for Aviation Maintenance or, in respect to the A350-900 Aircraft, in compliance with S1000D Specification jointly defined by the ASD (Aerospace and Defense Industries Association of Europe), AIA (Aerospace Industries Association) and ATA (Air Transport Association of America), as applicable.

14.3.3.4 The Buyer and the Seller shall agree on the requirements for the provision to the Seller of BFE Data for “on-aircraft maintenance”, such as but not limited to timeframe, media and format in which the BFE Data shall be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.

14.3.3.5 The BFE Data shall be delivered in digital format and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.

14.3.3.6 [***]

14.4 Supply

14.4.1 In respect of the A330-900neo Aircraft, Technical Data shall be supplied on-line and/or off-line, as set forth in Exhibit G-1 hereto. In respect of the A350-900 Aircraft, all Technical Data shall be made available on-line through the relevant services on the Seller's customer portal AirbusWorld (" **AirbusWorld** ").

14.4.2 [***]

14.5 Delivery of off-line Technical Data

14.5.1 For Technical Data provided off-line, such Technical Data and corresponding revisions shall be sent to up to two (2) addresses as indicated by the Buyer.

14.5.2 Technical Data provided off-line shall be delivered by the Seller at the Buyer's named place of destination under DAP conditions. The term Delivered At Place (DAP) is defined in the Incoterms 2010 publication issued by the International Chamber of Commerce, (the " **DAP – Incoterm** ").

14.5.3 The Technical Data shall be delivered according to a mutually agreed schedule to correspond with the Deliveries of Aircraft. The Buyer shall provide no less than [***] notice when requesting a change to such delivery schedule.

14.5.4 It shall be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data shall be supplied by the Seller [***] to the Buyer at the Buyer's named place of destination. Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference shall be given to the on-line access to such Buyer's Technical Data through AirbusWorld.

14.6 Revision Service

For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data shall be provided [***] (each a " **Revision Service Period** ").

Thereafter revision service shall be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.

14.7 Service Bulletins (SB) Incorporation

During any Revision Service Period and upon the Buyer's request, Seller Service Bulletin information shall be incorporated into the Technical Data, provided that the Buyer notifies

the Seller through the relevant AirbusWorld on-line service bulletin reporting application that it intends to accomplish such Seller Service Bulletin. The split effectivity for the corresponding Seller Service Bulletin shall remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post-Seller Service Bulletin status shall be shown.

14.8 Technical Data Familiarization

Upon request by the Buyer, the Seller shall provide up to [***] of Technical Data familiarization training at the Seller's or the Buyer's facilities. The basic familiarization course is tailored for maintenance and engineering personnel.

14.9 Customer Originated Changes

If the Buyer wishes to introduce Buyer originated data, including BFE Data after the initial issue of the Technical Data, (hereinafter “ **COC Data** ”) into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer shall notify the Seller of such intention.

The incorporation of any COC Data shall be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.10 AirN@v and the Advanced Consultation Tool

14.10.1 AirN@v Family Products

14.10.1.1 In respect of the A330-900neo Aircraft, the Technical Data listed below are provided on DVD and include integrated software (hereinafter together referred to as the “ **AirN@v Family** ”).

14.10.1.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

- AirN@v / Maintenance,
- AirN@v / Planning,
- AirN@v / Repair,
- AirN@v / Workshop,
- AirN@v / Associated Data,
- AirN@v / Engineering.

14.10.2 Advanced Consultation Tool

14.10.2.1 In respect of the A350-900 Aircraft, some Technical Data shall be made available through several domains listed below and shall be provided on-line through an Advanced Consultation Tool, which shall include the necessary navigation software and viewer to browse the Technical Data (hereinafter together referred to as “ **Advanced Consultation Tool** ”).

14.10.2.2 The Advanced Consultation Tool encompasses the following domains:

- AirN@v / Line Maintenance,
- AirN@v / Planning,
- AirN@v / Engineering,
- AirN@v / Associated Data,

14.10.3 Further details on the Technical Data included in the products set forth in Subclauses [***] and [***] are set forth in Exhibits G-1 and G-2.

14.10.4 The licensing conditions for the use of AirN@v Family integrated software and the Advanced Consultation Tool shall be set forth in Part 1 of Exhibit I to the Agreement (the “ **End-User License Agreement for Airbus Software** ”).

14.10.5 The revision service and the license to use AirN@v Family products and the Advanced Consultation Tool shall be granted free of charge for the duration of the corresponding Revision Service Period. At the end of such Revision Service Period, the yearly revision service for AirN@v Family products and the Advanced Consultation Tool and the associated license fee shall be provided to the Buyer under the commercial conditions set forth in the Seller’s then current Customer Services Catalog.

14.11 On-Line Technical Data

14.11.1 All Technical Data set forth in Exhibit G-2 and the Technical Data set forth in Exhibit G-1, which is provided on-line, shall be made available to the Buyer through AirbusWorld, access to which shall be subject to the AirbusWorld GTC.

14.11.2 Such provision shall be [***] for the duration of the corresponding Revision Service Period.

14.11.3 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to suppress other formats for the concerned Technical Data. Should the Seller elect to proceed with such format suppression and should the Buyer be interested in participating in the associated pilot phase, the Seller shall invite the Buyer to take part in said pilot phase.

14.11.4 Access to AirbusWorld shall be granted [***] of the Buyer’s users (including [***] Buyer’s Administrators) for the Technical Data related to the Aircraft which shall be operated by the Buyer.

14.11.5 For the avoidance of doubt, Technical Data accessed through AirbusWorld - which access shall be covered by the AirbusWorld GTC – shall remain subject to the conditions of this Clause 14.

14.11.6 Should AirbusWorld provide access to Technical Data in software format, the use of such software shall be further subject to the conditions of the End-User License Agreement for Airbus Software.

14.12 Waiver, Release and Renunciation

The Seller warrants that the Technical Data are prepared in accordance with the state of art at the date of their conception. Should any Technical Data prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller shall be to take all reasonable and proper steps to correct such Technical Data. Notwithstanding the above, no warranties of any kind shall be given for the Customer Originated Changes, as set forth in Subclause 14.9.

THIS CLAUSE 14 SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY TECHNICAL DATA OR SERVICES DELIVERED BY THE SELLER UNDER THIS AGREEMENT.

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS CLAUSE 14 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE GOODS AND SERVICES SUPPLIED UNDER THIS AGREEMENT. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICE DELIVERED BY THE SELLER UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;

- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;
- (7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:
 - (a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;
 - (b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;
 - (c) LOSS OF PROFITS AND/OR REVENUES;
 - (d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES AND SERVICE LIFE POLICY PROVIDED BY THIS AGREEMENT SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS CLAUSE 14 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS CLAUSE 14 SHALL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSE OF THIS SUBCLAUSE 14.11, "SELLER" SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ITS AFFILIATES AND SUPPLIERS.

14.13 Proprietary Rights

14.13.1 All proprietary rights, including but not limited to patent, design and copyrights, relating to Technical Data shall remain with the Seller and/or its Affiliates as the case may be.

These proprietary rights shall also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.13.2 Whenever the Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller shall not be construed as any express or implicit approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data shall not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof or spare part.

14.14 Performance Engineer's Program

14.14.1 In addition to the Technical Data provided under Clause 14, the Seller shall provide to the Buyer Software Services, which shall consist of the Performance Engineer's Programs (" **PEP** ") for the Aircraft type covered under the Agreement. Such PEP is composed of software components and databases and its use is subject to the license conditions set forth in to the conditions of the End-User License Agreement for Airbus Software.

14.14.2 Use of the PEP shall be [***] to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended [***].

14.14.3 The license to use the PEP and the revision service shall be provided [***] for the duration of the corresponding Revision Service Period as set forth in Subclause 14.5.

14.14.4 At the end of such PEP Revision Service Period, the PEP shall be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

14.15 Future Developments

14.15.1 The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

14.15.2 The Seller shall implement and the Buyer shall accept such new developments, it being understood that the Buyer shall be informed in due time by the Seller of such new developments and their application and of the date by which the same shall be implemented by the Seller. [***]

14.16 Confidentiality

14.16.1 This Clause 14, the Technical Data, the Software Services and their content are designated as confidential. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller save as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.

14.16.2 Should the Buyer wish (i) to disclose this Clause 14 and/or any Technical Data and/or the Software Services to a Third Party or (ii) specifically, if the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a “ **Third Party** ”), then the Buyer shall request the Seller’s written authorization to disclose such data.

14.16.3 The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and shall cause such Third Party to (i) enter into a confidentiality agreement, inclusive of appropriate licensing conditions, with the Seller, and (ii) commit to use the Technical Data solely for the purpose of maintaining the Buyer’s Aircraft, and the Software Services exclusively for processing the Buyer’s data.

14.17 Transferability

Without prejudice to Subclause 19.1, the Buyer’s rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller’s prior written consent, such consent not to be unreasonably withheld and to be without economic cost to the Buyer or the Buyer’s assignee.

Any transfer in violation of this Subclause 14.17 shall, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

15. **FIELD ASSISTANCE**

The Seller shall provide [***] to the Buyer the services described in this Clause 15, at the Buyer’s main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 In addition to the services of Seller customer support representative(s) (each a “ **Seller Representative** ”), provided by the Seller in prior agreement between the Seller and the Buyer, the Seller shall provide [***] to the Buyer [***] of exclusive services of a Seller Representative(s) at the Buyer’s main base or such other locations as the parties may agree at Delivery of the first Aircraft.

15.1.2 In providing the services as described hereabove, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time shall they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

15.1.3 The Seller shall cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

15.2 Buyer's Support

15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer shall provide [***] a suitable lockable office, conveniently located with respect to the Buyer's maintenance facilities, with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs shall be borne by [***].

15.2.2 [***]

15.2.3 INTENTIONALLY LEFT BLANK

15.2.4 Should the Buyer request any Seller Representative referred to in Subclause 15.1 above to travel on business to a city other than his usual place of assignment, [***].

15.2.5 The Buyer shall assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country. Failure of the Seller to obtain the necessary documents shall relieve the Seller of any obligation to the Buyer under the provisions of Subclause 15.1.

15.2.6 INTENTIONALLY LEFT BLANK

15.2.7 In the event that the Buyer elects to relocate one of the Seller Representatives on a temporary basis, [***]. [***]

15.3 Withdrawal of the Seller Representative

The Seller shall have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

16. TRAINING

16.1 General

- 16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.
- 16.1.2 The range, quantity and validity of training to be provided free of charge under the Agreement are covered in Appendix A to this Clause 16.
- 16.1.3 Scheduling of training courses covered in Appendix A shall be mutually agreed during a training conference (the “**Training Conference**”) that shall be held no later than [***].

16.2 Training Location

- 16.2.1 The Seller shall provide training at an affiliated training center in Miami, U.S.A. or such other of its training centers as agreed upon by the Seller and the Buyer (individually a “**Seller's Training Center**” and collectively, the “**Seller's Training Centers**”).
- 16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller shall ensure that the Buyer is provided with such training at another location designated by the Seller.
- 16.2.3 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Subclauses 16.5.2 and 16.5.3 shall be borne by the Buyer.
- 16.2.4 If the Buyer requests training at a location as indicated in Subclause 16.2.3 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities shall be approved prior to the performance of such training. The Buyer shall, as necessary and in due time prior to the performance of such training, provide access to the training facilities set forth in Subclause 16.2.3 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

16.3 Training Courses

- 16.3.1 Training courses shall be as described in the Seller's customer services catalog (the “**Seller's Customer Services Catalog**”). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the frame of the Training Conference shall be submitted by the Buyer with a minimum of[***].

16.3.2 The following terms and conditions shall apply to training performed by the Seller:

- (i) Training courses shall be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller shall be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses; for the avoidance of doubt, for the purpose of performing training, such training equipment does not include aircraft.
- (ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel shall not be fully customized but shall be configured in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.
- (iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers shall be [***]. Training data and documentation shall be marked "FOR TRAINING ONLY" and as such are supplied for the sole and express purpose of training; training data and documentation shall not be revised.

16.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an " **Instructor** " and collectively " **Instructors** ") the Seller shall deliver a Certificate of Recognition or a Certificate of Course Completion (each a " **Certificate** ") or an attestation (an " **Attestation** "), as applicable, at the end of any such training course. Any such Certificate or Attestation shall not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

In the event of training courses being provided by a training provider selected by the Seller as set forth in Subclause 16.2.2, the Seller shall cause such training provider to deliver a Certificate or Attestation, which shall not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

16.3.4 [***]:

- (i) [***];
- (ii) [***];
- (iii) [***].

[***]

[***]

[***] shall be submitted by the Buyer with a minimum of [***] prior notice. The requested training shall be subject to the Seller's then existing planning constraints.

16.3.5 Rescheduling and Cancellation

16.3.5.1 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, [***].

16.3.5.2 Should the Buyer decide to cancel or reschedule, fully or partially, and irrespective of the location of the training, a training course, a minimum advance notification of at least [***] prior to the relevant training course start date is required. Any later cancellation or change, when courses cannot be allocated to other customers, shall be deducted from the training allowances defined herein or shall be charged to the Buyer, as applicable.

16.3.5.3 If the notification occurs less than [***] prior to such training, when courses cannot be allocated to other customers, a cancellation fee corresponding to [***] of such training shall be, as applicable, either deducted from the training allowance defined in Appendix A or invoiced at the Seller's then applicable price, provided that the courses cannot be allocated to other customers.

16.3.5.4 If the notification occurs less than [***] prior to such training, when courses cannot be allocated to other customers, a cancellation fee corresponding to [***] of such training shall be, as applicable, either deducted from the training allowance defined in Appendix A or invoiced at the Seller's then applicable price. provided that the courses cannot be allocated to other customers.

16.3.5.5 All courses exchanged under Subclause 16.3.4 shall remain subject to the provisions of this Subclause 16.3.5.

16.4 Prerequisites and Conditions

16.4.1 Training shall be conducted in English and all training aids used during such training shall be written in English using common aeronautical terminology.

16.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are "Standard Transition Training Courses" and not "Ab Initio Training Courses".

16.4.3 Trainees shall have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.

16.4.4 The Buyer shall be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.

16.4.5 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.

16.4.6 The Seller shall provide to the Buyer during the Training Conference an "Airbus Pre-Training Survey" for completion by the Buyer for each trainee.

The Buyer shall provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than [***] before the start of the training course. The Buyer shall return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee shall be withdrawn from the program or directed through a relevant entry level training (ELT) program, which shall be at the Buyer's expense.

16.4.7 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee shall be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, through any other required additional training, which shall be at the Buyer's expense.

16.4.8 The Seller shall in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.

16.5 Logistics

16.5.1 Trainees

16.5.1.1 Living and travel expenses for the Buyer's trainees shall be borne by the Buyer.

16.5.1.2 Notwithstanding the above, when training is done at the Seller's affiliated training center in Miami, U.S.A, [***].

16.5.1.3 It shall be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas shall be subject to the provisions of Subclauses 16.3.5.1 thru 16.3.5.4.

16.5.2 Training at External Location - Seller's Instructors

16.5.2.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Subclause 16.2.2, [***].

16.5.2.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, [***].

16.5.2.3 Living Expenses

Except as provided for in Subclause 16.5.2.1 above, [***].

[***]

16.5.2.4 Air Travel

[***]

16.5.2.5 Buyer's Indemnity

[***], the Seller shall not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Subclause 16.5.2 [***].

16.5.3 Training Material and Equipment Availability - Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller shall be provided by the Buyer [***] in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Subclause 16.2.3, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. [***]

16.6 Flight Operations Training

The Seller shall provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Subclause 16.6.

16.6.1 Flight Crew Training Course

The Seller shall perform a flight crew training course program for the Buyer's flight crews, each of which shall consist of [***], who shall be either captain(s) or first officer(s).

16.6.2 Flight Crew Line Initial Operating Experience

In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller shall provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.

Should the Buyer request, subject to the Seller's consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, [***].

It is hereby understood by the parties that the Seller's pilot Instructors shall only perform the above flight support services to the extent they bear the relevant qualifications to do so.

16.6.3 Type Specific Cabin Crew Training Course

The Seller shall provide type specific training for cabin crews, at one of the locations defined in Subclause 16.2.1.

If the Buyer's Aircraft is to incorporate special features, the type specific cabin crew training course shall be performed no earlier than [***] before the scheduled Delivery Date of the Buyer's first Aircraft.

16.6.4 Training on Aircraft

During any and all flights performed in accordance with this Subclause 16.6, the Buyer shall [***].

The Buyer shall assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

16.7 Performance / Operations Courses

The Seller shall provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses shall be listed in the Seller's Customer Services Catalog current at the time of the course.

16.8 Maintenance Training

16.8.1 The Seller shall provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses shall be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training shall be performed on the training devices in use in the Seller's Training Centers.

16.8.2 Practical Training on Aircraft

Notwithstanding Subclause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft (" **Practical Training** ").

Irrespective of the location at which the training takes place, the Buyer shall provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training shall be subject to prior approval of the facilities by the Seller. All costs related to such Practical Training, including but not limited to the Seller's approval of the facilities, shall be [***].

The provision of a Seller Instructor for the Practical Training shall be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller shall provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation shall remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights shall also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under the Agreement or by an express prior written authorization, the Buyer shall cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Subclause 19, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities granted for the whole of the Buyer's fleet of firmly ordered Aircraft, unless otherwise specified.

The contractual training courses defined in this Appendix A shall be provided [***] under the Agreement.

Notwithstanding the above, flight operations training courses granted per firmly ordered Aircraft in this Appendix A shall be provided by the Seller within a period starting [***].

Any deviation to said training delivery schedule shall be mutually agreed between the Buyer and the Seller.

1. FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller shall provide flight crew training (standard transition course) [***].

1.2 Flight Crew Line Initial Operating Experience

The Seller shall provide to the Buyer pilot Instructor(s) [***].

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time shall be limited to [***] pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller shall provide to the Buyer [***] type specific training for cabin crews for [***].

1.4 Airbus Training Credits

[***]

1.5 Airbus Simulator and APT Trainer Availability

[***]

2. PERFORMANCE / OPERATIONS COURSE(S)

The Seller shall provide to the Buyer [***] of performance / operations training [***] for the Buyer's personnel.

3. MAINTENANCE TRAINING

3.1 The Seller shall provide to the Buyer [***] of maintenance training [***] for the Buyer's personnel which may be used for any maintenance course in the Seller's Customer Services Catalogue.

3.2 The Seller shall provide to the Buyer [***].

4. TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

4.1 For instruction at the Seller's Training Centers: [***]. The number of trainees originally registered at the beginning of the course shall be counted as the number of trainees to have taken the course.

4.2 For instruction outside of the Seller's Training Centers: [***] Seller Instructor equals the actual number of trainees attending the course or a [***] trainee days, [***].

4.3 For structure maintenance training courses outside the Seller's Training Center(s), [***].

4.4 For practical training, whether on training devices or on aircraft, [***] trainee days.

17. SUPPLIER AND ACS SUPPLIERS PRODUCT SUPPORT

17.1 Supplier Product Support Agreements

17.1.1 The Seller has obtained enforceable and transferable product support agreements from Suppliers of Supplier Parts listed in the Specification, the benefit of which is hereby accepted by the Buyer. Said agreements become enforceable as soon as and for as long as one or more commercial airlines anywhere in the world operate Airbus aircraft.

17.1.2 These agreements are based on the “ *World Airlines Suppliers Guide* ” and include Supplier commitments as contained in the “ **Supplier Product Support Agreements** ” and are made available to the Buyer through the SPSA Application, which include the following provisions:

17.1.2.1 Technical Data and manuals required to operate, maintain, service and overhaul the Supplier Parts. Such Technical Data and manuals shall be prepared in accordance with the applicable provisions of ATA Specification including revision service and be published in the English language. The Seller shall recommend that a software user guide, where applicable, be supplied in the form of an appendix to the Component Maintenance Manual, such data shall be provided in compliance with the applicable ATA Specification;

17.1.2.2 Warranties and guarantees, including standard warranties. In addition, landing gear Suppliers shall provide service life policies for selected structural landing gear elements;

17.1.2.3 Training to ensure efficient operation, maintenance and overhaul of the Supplier Parts for the Buyer’s instructors, shop and line service personnel;

17.1.2.4 Spares data in compliance with ATA iSpecification 2200, initial provisioning recommendations, spare parts and logistic service including routine and expedite deliveries;

Technical service to assist the Buyer with maintenance, overhaul, repair, operation and inspection of Supplier Parts as well as required tooling and spares provisioning.

17.2 Supplier Compliance

The Seller shall monitor Suppliers’ compliance with support commitments defined in the Supplier Product Support Agreements and shall, if requested in writing by the Buyer, jointly take remedial action with the Buyer.

17.3 Supplier Part Repair Stations

The Seller has developed with the Suppliers a comprehensive network of repair stations in the United States of America and Canada for those Supplier Parts originating from outside

these countries. As a result, most Supplier Parts are repairable in the United States and Canada. The repair stations in the network are listed in the AOG and Repair Guide.

Supplier Parts that have to be forwarded to a repair station for repair shall be sent back to the Buyer with proper tagging as required by the FAA.

17.4 ACS Suppliers Support Agreements

17.4.1 The Seller has obtained enforceable and transferable product support agreements from ACS Suppliers of ACS Equipment, the benefit of which is hereby accepted by the Buyer. Said agreements become enforceable as soon as and for as long as one or more commercial airlines anywhere in the world operate Airbus aircraft.

17.4.2 These agreements are based on the "World Airlines Suppliers Guide", are made available to the Buyer through the SPSA Application, and include ACS Supplier commitments contained in the "Airbus Contracted Suppliers Support Agreements". Such commitments shall be substantially the same as those included in the Supplier Product Support Agreements, and detailed in Subclause 17.1.2, except that guarantees, if any, shall be negotiated and agreed directly between the Buyer and the corresponding ACS Supplier.

17.4.3 ACS Supplier Compliance

17.4.4 The Seller shall monitor ACS Suppliers' compliance with support commitments defined in the Airbus Contracted Suppliers Support Agreements and shall provide assistance to the Buyer as may reasonably be required.

17.5 Nothing in this Subclause 17.4 shall be construed to prevent or limit the Buyer from entering into direct negotiations with a Supplier or an ACS Supplier with respect to different or additional terms and conditions applicable to Suppliers Parts or ACS Equipment selected by the Buyer to be installed on the Aircraft.

17.6 Familiarization Training

Upon the Buyer's request, the Seller shall provide the Buyer with Supplier Product Support Agreements and Airbus Contracted Suppliers Support Agreements familiarization training [***] to the Buyer, at the Seller's facilities in Blagnac, France.

An on-line training module shall be further available [***] to the Buyer, through AirbusWorld.

Both the Supplier Product Support Agreements and the Airbus Contracted Suppliers Support Agreements may be accessed through the SPSA Application.

For the avoidance of doubt, the use of the term “SPSA” with respect to ACS Suppliers or ACS Equipment shall solely be a reference to such SPSA Application and shall not be construed to imply that such ACS Suppliers or ACS Equipment are the subject of the Supplier Product Support Agreements for the purposes of Subclause 17.4 above.

18. BUYER FURNISHED EQUIPMENT AND ACS EQUIPMENT

18.1 Buyer Furnished Equipment

18.1.1 Administration

18.1.1.1 In accordance with the Specification, the Seller shall install those items of equipment that are identified in the Specification as being furnished by the Buyer (“ **Buyer Furnished Equipment** ” or “ **BFE** ”), provided that (i) in respect of the A330-900neo Aircraft, the BFE and the supplier of such BFE (the “ **BFE Supplier** ”) are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected and (ii) in respect of the A350-900 Aircraft, the Supplier of BFE is an Airbus Contracted Supplier.

18.1.1.2 Notwithstanding the foregoing and without prejudice to Subclause 2.1.3, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog (applicable to the A330-900neo but not the A350-900 Aircraft), the Buyer shall so inform the Seller and the Seller shall conduct a feasibility study of the Buyer’s request, in order to consider approving such supplier, [***]. In addition, it is a prerequisite to such approval that the considered supplier is qualified by the Seller’s Aviation Authorities to produce equipment for installation on civil aircraft. [***] The Buyer shall cause any BFE supplier approved under this Subclause 18.1.1.2 (each an “ **Approved BFE Supplier** ”) to comply with the conditions set forth in this Clause 18 and specifically Subclause 18.1.2.

Except for the specific purposes of this Subclause 18.1.1.2, the term “BFE Supplier” shall be deemed to include Approved BFE Suppliers.

18.1.1.3 The Seller shall advise the Buyer of the dates, [***], by which, in the planned release of engineering for the Aircraft, the Seller requires a written detailed engineering definition encompassing a Declaration of Design and Performance (the “ **BFE Engineering Definition** ”). The Seller shall provide to the Buyer and/or the BFE Supplier(s), within an appropriate timeframe, the necessary interface documentation to enable the development of the BFE Engineering Definition.

The BFE Engineering Definition shall include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller’s systems. The Buyer shall furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates requested by the Seller, [***]. In respect of the A350-900 Aircraft, both the BFE Supplier Data and BFE Engineering Definition shall be furnished by the Buyer or the selected BFE Supplier, by the dates specified through the Customization Milestone Chart as set forth in Subclause 2.2.3.2 . Thereafter, the BFE Engineering Definition shall not be revised, except through an SCN executed in accordance with Clause 2.

18.1.1.4The Seller shall also provide [***] to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft and Delivery of the Aircraft in accordance with the Aircraft delivery schedule. The Buyer shall provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition, in order to allow performance of any assembly, installation, test or acceptance process in accordance with the Seller's industrial schedule. In order to facilitate the follow-up of the timely receipt of BFE, the Buyer shall, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

Notwithstanding the foregoing, in respect of BFE IFE equipment to be integrated into BFE Premium Class Seats on A350-900 Aircraft, the Buyer shall provide, or cause the BFE Premium Class Seat Supplier to provide to the BFE IFE equipment Supplier a schedule of dates and shipping addresses for delivery of the IFE equipment. In addition, where requested by the BFE Premium Class Seat Supplier, the IFE Supplier shall provide the former with additional spare IFE equipment to permit installation of the IFE equipment into the BFE Premium Class Seats in accordance with the BFE Premium Class Seat contractual delivery schedule. For BFE Premium Class Seats, the Buyer hereby warrants that each unit shall be delivered fully tested and ready for installation.

The Buyer shall also provide, when requested by the Seller, at the Airbus Operations S.A.S. facility in Toulouse, France, and/or the Airbus Operations GmbH Division Hamburger Flugzeugbau facility in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of any BFE.

18.1.1.5Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller shall organize meetings between the Buyer and BFE Suppliers. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within the defined timeframe.

Specifically for the A350-900 Aircraft, prior to CDF, the Seller shall organize, when relevant, an ITCM between the Seller, the Buyer and BFE Suppliers at the A350XWB Customer Definition Center in Hamburg, Germany. During such ITCM, the Seller's employees shall be acting in an advisory capacity only and at no time shall they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

In addition, throughout the development phase and up to Delivery of the Aircraft to the Buyer, the Buyer agrees:

- (i) to monitor the BFE Suppliers and ensure that they shall enable the Buyer to fulfill its obligations, including but not limited to those set forth in the Customization Milestone Chart;
- (ii) to place BFE purchase orders in a timely manner in order to ensure delivery of the corresponding BFE in accordance with the dates provided as per Subclause 18.1.1.4.
- (iii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer shall allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;
- (iv) for major BFE, including, but not being limited to, seats, galleys and IFE (“ **Major BFE for the A330-900neo Aircraft** ”), and for BFE Premium Class Seats, BFE IFE, and major BFE for A350-900 Aircraft, to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:
 - (a) Preliminary Design Review (“ **PDR** ”),
 - (b) Critical Design Review (“ **CDR** ”);
- (v) to attend the First Article Inspection (“ **FAI** ”) for the A330-900neo Aircraft for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer shall delegate the FAI to the BFE Supplier and confirmation thereof shall be supplied to the Seller in writing;
- (vi) to attend the Source Inspection (“ **SI** ”) that takes place at the BFE Supplier’s premises prior to shipping, for each shipset of all Major BFE for the A330-900neo Aircraft; and for each shipset of all BFE Premium Class seats and when applicable BFE IFE and major BFE of the A350-900 Aircraft. Should the Buyer not attend such SI, the Buyer shall delegate the SI to the BFE Supplier and confirmation thereof shall be brought to the Seller in writing. Should the Buyer not attend the SI, the Buyer shall be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller shall be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller’s employees shall be acting in an advisory capacity only and at no time shall they be deemed to be acting as Buyer’s employees or agents, either directly or indirectly.

18.1.1.6 The BFE shall be imported into FRANCE or into GERMANY by the Buyer under a suspensive customs system (“ *Régime de l’entrepôt douanier ou régime de perfectionnement actif* ” or “ *Zollverschluss* ”) without application of any French or German tax or customs duty, [***], to the following shipping addresses:

Airbus Operations S.A.S.

316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

or such other location as may be specified by the Seller.

18.1.2 Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE shall:

- (i) be manufactured and supplied by a qualified BFE Supplier, and
- (ii) meet the requirements of the applicable Specification of the Aircraft, and
- (iii) be, in respect of the A350-900 Aircraft only, and in the case of BFE Premium Class Seats and IFE equipment, supplied by a qualified ACS Supplier, and
- (iv) be delivered with the relevant certification documentation, including but not limited to the DDP, and
- (v) comply with the BFE Engineering Definition, and
- (vi) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and
- (vii) be approved by the Aviation Authority issuing the Export Airworthiness Certificate and by the Buyer's Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and
- (viii) not infringe any patent, copyright or other intellectual property right of the Seller any third party, and
- (ix) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller shall be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.2 Airbus Contracted Supplier Equipment

18.2.1.1 Administration

In accordance with the Specification, the Seller shall install those items of equipment that are identified in the Specification as being ACS Equipment, provided that the ACS Equipment and the corresponding ACS Supplier of such ACS Equipment are referred to in the then applicable A350XWB Family Aircraft Description Document.

18.2.1.2 ACS Selection

18.2.1.2.1 The Buyer shall select ACS Equipment and all associated features out of the options proposed by the Seller in the A350XWB Family ADD applicable at the time of customization. The definition of the selected ACS Equipment and its features shall be frozen prior to the TCM.

18.2.1.2.2 With respect to ACS Seats, it is hereby agreed that any IFE equipment to be incorporated into such ACS Seats shall be exclusively ACS Catalogue Items.

18.2.1.3 Meetings with ACS Suppliers

The Seller shall be entitled to request the participation of the Buyer in meetings with ACS Suppliers, subject to reasonable prior notice.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1.1 Any delay or failure by the Buyer or the BFE Suppliers in:

- (i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Subclauses 18.1.1.3 or 18.1.1.4, as applicable, or
- (ii) furnishing the BFE in a serviceable condition at the requested delivery date, or
- (iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller shall not be responsible for such delay which shall cause the Final Price of the affected Aircraft to be adjusted in accordance with the updated delivery schedule

and to include in particular the amount of the Seller's additional costs attributable to such delay or failure by the Buyer or the BFE Suppliers, [***].

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1.1 above, the Seller may:

- (i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft shall [***]
- or
- (ii) if the BFE is delayed by more than [***].

18.3.3 Title and Risk of Loss

Title to and risk of loss of any BFE shall at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) shall be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.3.4 Disposition of BFE Following Termination

18.3.4.1 If a termination of the Agreement pursuant to the provisions of Clause 21 occurs [***] with respect to an Aircraft in which all or any part of the BFE has been installed prior to the date of such termination, [***].

18.3.4.2 [***]

18.3.4.3 The Seller shall notify the Buyer as to those items of BFE [***]. The Buyer shall have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.

18.3.4.4 The Buyer shall have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller shall use reasonable care in such removal.

18.3.4.5 The Buyer shall grant the Seller title to any BFE items that cannot be removed from the Aircraft [***].

19. ASSIGNMENT

19.1 Successors and Assigns

Subject to the provisions of this Clause 19, the Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. This Agreement and/or

the rights of either party hereunder shall not be assigned or transferred in any manner whatsoever, in whole or in part, by either party without the prior written consent of the other party, such consent not to be unreasonably withheld by the Seller in the case of any assignment by the Buyer of its rights hereunder to one or more institutions providing financing for the purchase of particular Aircraft by the Buyer hereunder with respect to such Aircraft and to the extent reasonably required to effect such financing, so long as the duties and obligations of the Seller hereunder are not changed and the Buyer remains primarily and directly liable for all obligations of the “Buyer” hereunder. [***]

Notwithstanding anything herein to the contrary, the Seller may at any time without the Buyer’s consent, assign any of its rights to receive money and any of its duties to effect the sale and delivery of any Aircraft or any of its responsibilities, duties or obligations to perform any other obligations hereunder to any Affiliate of the Seller, provided that the Seller shall remain liable for such responsibilities, duties and obligations.

19.2 Seller’s Designations

The Seller may at any time by notice to the Buyer designate particular facilities or particular personnel of the Seller or any Affiliate of the Seller at which or by whom the services to be performed under the Agreement shall be performed. The Seller may also designate any Affiliate of the Seller as the party responsible on behalf of the Seller for providing to the Buyer all or any of the services described in the Agreement. No such designation shall amend or modify, and the Seller shall remain fully obligated to perform, all of the obligations of the Seller in the Agreement.

19.3 Assignment in Case of Resale or Lease

In the event of the resale or lease of any Aircraft by the Buyer following delivery thereof to the Buyer, and subject to the delivery to the Seller of reasonable financial guarantees and protections and other terms as the Seller may reasonably require, the Buyer’s rights with respect to such Aircraft solely under Clauses 12, 13 and 17 and this Subclause 19.3 of the Agreement, shall inure to the benefit of such purchaser or lessee, as the case may be. The Buyer shall furnish to the Seller a true copy of such agreement with such purchaser or lessor, clearly stating that such purchaser or lessor acknowledges that it is bound by and shall comply with all applicable terms, conditions and limitations of the Agreement. No assignment under this Subclause 19.3 shall be deemed to increase the Seller’s obligations.

19.4 [***]

[***]

20. INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Subclauses 20.1 and 20.2.

20.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or willful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees (" **Losses** "), arising from:

- (a) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (b) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

20.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or willful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

- (a) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and
- (b) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (i) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (ii) the provision of Aircraft Training Services to the Buyer.

20.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 20 (the “**Indemnatee**”) for damages for which liability has been assumed by the other party under this Clause 20 (the “**Indemnitor**”), the Indemnatee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnatee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnatee and will be followed by such cooperation by the Indemnatee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

20.4 Insurance

For all Aircraft Training Services, to the extent of the Buyer’s undertaking set forth in Subclause 20.2, the Buyer will:

- (a) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer’s Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance to include the AVN 52E Extended Coverage Endorsement Aviation Liabilities or any further Endorsement replacing AVN 52E as may be available as well as any excess coverage in respect of War and Allied Perils Third Parties Legal Liabilities Insurance), and
- (b) with respect to the Buyer’s Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer’s hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers.

Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than [***], certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form acceptable to the Seller from the Buyer’s insurance broker(s), certifying that such policies have been endorsed as follows:

- (i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer’s policies are primary and non-contributory to any insurance maintained by the Seller,
- (ii) such insurance can only be cancelled or materially altered by the giving of not less than [***] or such lesser period as may be customarily available in respect of War Risks and Allied Perils) prior written notice thereof to the Seller, and
- (iii) under any such cover, all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers have been waived.

21. TERMINATION

21.1 Termination Events

Each of the following will constitute a “ **Termination Event** ”

- (1) The Buyer or any of its Affiliates commences in any jurisdiction any case, proceeding or other action with respect to the Buyer or any of its Affiliates or their properties relating to bankruptcy, insolvency, reorganization, winding-up, liquidation, dissolution or other relief from, or with respect to, or readjustment of, its debts or obligations.
- (2) An action is commenced in any jurisdiction seeking the appointment of a receiver, trustee, custodian or other similar official for the Buyer or any of its respective Affiliates or for all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [***], or the Buyer or any of its Affiliates makes a general assignment for the benefit of its creditors.
- (3) An action is commenced in any jurisdiction against the Buyer or any of its respective Affiliates seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of their respective assets, and such action remains unstayed, undismissed or undischarged for [***].
- (4) The Buyer or any of its Affiliates becomes the object, in any jurisdiction, of a case, proceeding or action similar or analogous to any of the events mentioned in Subclause 21.1(1), (2) or (3).
- (5) The Buyer or any of its Affiliates is generally not able, or is expected to be unable to, or will admit in writing its inability to, pay its debts as they become due.
- (6) The Buyer or any of its Affiliates commences negotiations with significant creditors, existing or potential, either with the intention of restructuring all or a substantial part of all of its outstanding obligations or in preparation for a bankruptcy filing under the U.S. Bankruptcy Code.
- (7) The Buyer or any of its Affiliates fails to make (i) any payment required to be made under this Agreement or any other material agreement between the Buyer or any of its Affiliates and the Seller or any of its Affiliates when such payment is due, (ii) any Predelivery Payment required to be made under this Agreement when such payment is due, (iii) payment of all or part of the Final Price of any Aircraft required to be made under this Agreement; (iv) any payment to a Lessor with respect to any Leased Aircraft.
- (8) The Buyer repudiates, cancels or terminates this Agreement in whole or in part.

- (9) The Buyer defaults in its obligation to take delivery of an Aircraft as provided in the Agreement.
- (10) The Buyer or any of its Affiliates defaults in the observance or performance of any other covenant, undertaking or obligation contained in this Agreement or any other material agreement between the Buyer or its Affiliates, on the one hand, and the Seller or its Affiliates on the other hand, provided that, if such breach or default is capable of being cured and such breach or default is not cured within any specified cure period.
- (11) Any other event that the parties agree in writing constitutes a Termination Event.

21.2 Remedies in Event of Termination

21.2.1 If a Termination Event occurs, the Buyer will be in material breach of this Agreement, and the Seller can elect any of the following remedies under the applicable law:

- (A) [***];
- (B) [***];
- (C) [***]; and/or
- (D) [***]

21.2.2 In the event Seller elects a remedy under any of Subclauses 21.2.1(A), (B) or (C), above:

- (A) [***];
- (B) [***]; and
- (C) [***]

21.2.3 If the Seller elects a Termination under Subclause 21.2.1(D) above:

- (A) [***]:
 - (i) [***];
 - (ii) [***];
 - (iii) [***];

- (iv) [***];
- (v) [***];
- (vi) [***]; and
- (vii) [***]

(B) [***]

21.2.4 The parties to this Agreement are commercially sophisticated parties acting within the same industry, and represented by competent counsel and the parties expressly agree and declare as follows:

- (A) [***];
- (B) [***]; and
- (C) [***].

21.3 Definitions

For purposes of this Clause 21, the terms “Affected Aircraft”, “Applicable Date” and “Escalated Price” are defined as follows:

- (i) “ **Affected Aircraft** ” – any or all Aircraft with respect to which the Seller has cancelled or terminated this Agreement pursuant to Subclause 21.2.1(D),
- (ii) “ **Applicable Date** ” – for any Affected Aircraft, the date the Seller issues the notice [***] pursuant to Subclause 21.2.3(B).
- (iii) “[***]” - will have the same meaning as the “Final Contract Price” of the Aircraft as that term is defined in Subclauses 3.1.4 and 3.2.4, [***].

21.4 Notice of Termination Event

Within [***] of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller’s rights or remedies hereunder.

21.5 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

- a. Annual Financial Statements. As soon as available and in any event no later than the date that the Buyer furnishes such annual statements to the Securities and Exchange Commission or successor thereto (the “ **SEC** ”) (i) a copy of the SEC Form 10-K filed by the Buyer with the SEC for such fiscal year, or, if no such Form 10-K was filed by the Buyer for such a fiscal year, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such fiscal year and the related consolidated statements of operations, of common stockholders’ equity (deficit) (in the case of the Buyer and its Subsidiaries) and of cash flows for such fiscal year, setting forth comparative consolidated figures as of the end of and for the preceding fiscal year, and examined by any firm of independent public accountants of recognized standing selected by the Buyer and reasonably acceptable to the Seller, whose opinion will not be qualified as to the scope of audit or as to the status of the Buyer as a going concern, and (ii) a certificate of such accounting firm stating that its audit of the business of the Buyer was conducted in accordance with generally accepted auditing standards.
- b. Quarterly Financial Statements. As soon as available and in any event no later than the date that the Buyer furnishes such quarterly statements to the Securities and Exchange Commission or successor thereto, a copy of the SEC Form 10-Q filed by the Buyer with the SEC for such quarterly period, or, if no such Form 10-Q was filed by the Buyer with respect to any such quarterly period, the consolidated balance sheet of the Buyer and its Subsidiaries, as at the end of such quarterly period and the related consolidated statements of operations for such quarterly period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period and in each case setting forth comparative consolidated figures as of the end of and for the related periods in the prior fiscal year, all of which will be certified by an Authorized Officer of the Buyer, subject to changes resulting from audit and normal year-end audit adjustments.
- c. Debt Rescheduling. (i) Promptly upon the Buyer commencing negotiations with one or more of its significant creditors with a view to general readjustment or rescheduling of all or any material part of its indebtedness under circumstances in which a reasonable business person, in the exercise of prudent business judgment, would conclude that the Buyer would otherwise not be able to pay such indebtedness as it falls due, notice of commencement of such negotiations, and (ii) thereafter timely advice of the progress of such negotiations until such negotiations are terminated or completed.
- d. Acceleration of other indebtedness. Immediately upon knowledge by the Buyer that the holder of any bond, debenture, promissory note or any similar evidence of indebtedness of the Buyer or Affiliate thereof (“ **Other Indebtedness** ”) has demanded payment, given notice or exercised its right to a remedy having the effect of acceleration with respect to a claimed event of default under any Other Indebtedness, where the impact of the acceleration

is likely to have a material adverse effect on the Buyer's ability to perform its obligations under or in connection with the transactions contemplated by this Agreement, notice of the demand made, notice given or action taken by such holder and the nature and status of the claimed event of default and what the action the Buyer is taking with respect thereto.

e. Other Information. Promptly upon transmission thereof, copies of any filings and registrations with, and reports to, the SEC by the Buyer or any of its Subsidiaries, and, with reasonable promptness, such other information or documents (financial or otherwise) as the Seller may reasonably request from time to time.

For the purposes of this Clause 21, (x) an " **Authorized Officer** " of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) " **Subsidiaries** " will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

21.6 Nothing contained in this Clause 21 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the " UCC"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer will not constitute adequate assurance under Article 2, Section 609 of the UCC.

22. MISCELLANEOUS PROVISIONS

22.1 Data Retrieval

On the Seller's reasonable request, the Buyer shall provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the safety, availability and efficient and cost effective operations of the Airbus fleet worldwide.

22.2 Notices

All notices and requests required or authorized hereunder shall be given in writing either by personal delivery to a responsible officer of the party to whom the same is given or by commercial courier, certified air mail (return receipt requested), facsimile to be confirmed by subsequent registered mail at the addresses set forth below. The date upon which any such notice or request is so personally delivered, or if such notice or request is given by commercial courier, certified air mail, facsimile or other electronic transmission, the date upon which sent, shall be deemed to be the effective date of such notice or request.

The Seller shall be addressed at:

Airbus S.A.S.
Attention: Senior Vice President Contracts
2, rond-point Maurice Bellonte
31707 Blagnac Cedex
France
Facsimile: 33 (05) 61 93 47 27

The Buyer shall be addressed at:

Delta Air Lines, Inc.
1030 Delta Boulevard, Dept. 923
Atlanta, Georgia 30354-1989
Attention: Vice President – Fleet Strategy and Transactions
Facsimile: (404) 715-2854

With a copy to:

Delta Air Lines, Inc.
1030 Delta Boulevard, Dept. 971
Atlanta, Georgia 30354-1989
Attention: General Counsel

Facsimile: (404) 715-7882

From time to time, the party receiving the notice or request may designate another address or another person.

22.3 Waiver

The failure of either party to enforce at any time any of the provisions of the Agreement, to exercise any right herein provided or to require at any time performance by the other party of any of the provisions hereof shall in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of the Agreement or any part hereof or the right of the other party thereafter to enforce each and every such provision. The express waiver by either party of any provision, condition or requirement of the Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

22.4 INTENTIONALLY LEFT BLANK

22.5 Certain Representations of the Parties

22.5.1 Buyer's Representations

The Buyer represents and warrants to the Seller:

- (i) the Buyer is a corporation organized and existing in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into and perform its obligations under this Agreement;
- (ii) neither the execution and delivery by the Buyer of this Agreement, nor the consummation of any of the transactions by the Buyer contemplated thereby, nor the performance by the Buyer of the obligations thereunder, constitutes a breach of any agreement to which the Buyer is a party or by which its assets are bound; and
- (iii) this Agreement has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

22.5.2 Seller's Representations

The Seller represents and warrants to the Buyer:

- (i) the Seller is organized and existing in good standing under the laws of the Republic of France and has the corporate power and authority to enter into and perform its obligations under the Agreement;
- (ii) neither the execution and delivery by the Seller of this Agreement, nor the consummation of any of the transactions by the Seller contemplated thereby, nor the performance by the Seller of the obligations thereunder, constitutes a breach of any agreement to which the Seller is a party or by which its assets are bound; and
- (iii) this Agreement has been duly authorized, executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms.

22.6 INTERPRETATION AND LAW

22.6.1 THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Seller and the Buyer (i) hereby irrevocably submits itself to the exclusive jurisdiction of the courts sitting in the Borough of Manhattan, New York County, New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defence or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, any defence based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

THE PARTIES HEREBY ALSO AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THIS TRANSACTION.

22.6.2 The Buyer for itself and its successors and assigns hereby designates and appoints the Secretary of the Buyer duly elected from time to time as its legal agent and attorney-in-fact upon whom all processes against the Buyer in any suit, action or proceeding in respect of any matter as to which it has submitted to jurisdiction under Subclause 22.6 may be served with the same effect as if the Buyer were a corporation organized under the laws of the State

of New York and had lawfully been served with such process in such state, it being understood that such designation and appointments shall become effective without further action on the part of its Secretary.

22.6.3 The assumption in Subclause 22.6.1 made for the purpose of effecting the service of process shall not affect any assertion of diversity by either party hereto initiating a proceeding in the New York Federal Courts or seeking transfer to the New York Federal Courts on the basis of diversity.

22.6.4 Service of process in any suit, action or proceeding in respect of any matter as to which the Seller or the Buyer has submitted to jurisdiction under Subclause 22.6.1 may be made on the Seller by delivery of the same personally or by dispatching the same via Federal Express, UPS, or similar international air courier service prepaid to: CT Corporation, New York City offices as agent for the Seller, it being agreed that service upon CT Corporation shall constitute valid service upon the Seller or by any other method authorized by the laws of the State of New York, and (ii) may be made on the Buyer by delivery of the same personally or by dispatching the same by Federal Express, UPS, or similar international air courier service prepaid, return receipt requested to: Corporation Service Company, 80 State Street, Albany, New York 12207-2543, or by any other method authorized by the laws of the State of New York; provided in each case that failure to deliver or mail such copy shall not affect the validity or effectiveness of the service of process.

22.7 Confidentiality

Subject to any legal or governmental requirements of disclosure, the parties (which for this purpose shall include their employees, agents and advisors) shall maintain the terms and conditions of the Agreement and any reports or other data furnished hereunder strictly confidential. Without limiting the generality of the foregoing, the Buyer shall use reasonable efforts to limit the disclosure of the contents of the Agreement to the extent legally permissible in any filing required to be made by the Buyer with any governmental agency and shall make such applications as shall be necessary to implement the foregoing. The Seller agrees to provide to the Buyer, no less than fifteen (15) Business Days prior to the date by which the Buyer is required to make any such filing, provided however that the Buyer shall have given the Seller a minimum of thirty (30) days notice, a redacted version of the Agreement. The Buyer agrees to use such redacted version for filing of the Agreement with the Securities and Exchange Commission, and the Buyer's filing shall include a request for confidential treatment of the Agreement. The Buyer and the Seller shall consult with each other prior to the making of any public disclosure or filing, permitted hereunder, of the Agreement or the terms and conditions thereof. The provisions of this Subclause 22.7 shall survive any termination of the Agreement.

22.8 [***]

[***]

22.9 Severability

In the event that any provision of the Agreement should for any reason be held to be without effect, the remainder of the Agreement shall remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law which renders any provision of the Agreement prohibited or unenforceable in any respect.

22.10 Alterations to Contract

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written. This Agreement shall not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by both parties or by their fully authorized representatives.

22.11 Inconsistencies

In the event of any inconsistency between the terms of the Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit attached to the Agreement, in each such case the terms of such Specification or Exhibit shall prevail over the terms of the Agreement. For the purpose of this Subclause 22.11, the term Agreement shall not include the Specification or any other Exhibit hereto.

22.12 Language

All correspondence, documents and any other written matters in connection with the Agreement shall be in English.

22.13 Headings

All headings in the Agreement are for convenience of reference only and do not constitute a part of the Agreement.

22.14 Counterparts

This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

IN WITNESS WHEREOF, the Agreement was entered into as of the day and year first above written.

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President
Fleet Strategy & Transactions

A330-300 AIRCRAFT STANDARD SPECIFICATION

The A330-300 Standard Specification is contained in a separate folder.

A350-900 AIRCRAFT STANDARD SPECIFICATION

The A350-900 Standard Specification is contained in a separate folder.

Exhibit A-3

SCN LISTING FOR A330-900neo AIRCRAFT
Based on A330-300 Standard Specification, [***]

[***]

[***]

Exhibit A-4

SCN LISTING FOR A350-900 AIRCRAFT

Based on A350-900 [***]

[***]

Exhibit A-4

SCN LISTING FOR A350-900 AIRCRAFT

Based on A350-900 [***]

[***]

FORM OF A SPECIFICATION CHANGE NOTICE

SPECIFICATION CHANGE NOTICE (SCN)	For SCN Number Issue Dated Page
Title : Description : Effect on weight : • Manufacturer's Weight Empty change : • Operational Weight Empty change : • Allowable Payload change : Remarks / References Specification changed by this SCN This SCN requires prior or concurrent acceptance of the following SCN(s):	
Price per aircraft US DOLLARS: AT DELIVERY CONDITIONS: This change shall be effective on ___ AIRCRAFT N° ___ and subsequent, provided approval is received by _____ : Buyer approval Seller approval By : By : Date : Date :	

SPECIFICATION CHANGE NOTICE (SCN)	For SCN Number Issue Dated Page
Specification repercussion: After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording shall read as follows:	

SPECIFICATION CHANGE NOTICE (SCN)	For SCN Number Issue Dated Page
Scope of change (FOR INFORMATION ONLY)	

FORM OF A MANUFACTURER'S SPECIFICATION CHANGE NOTICE

MANUFACTURER'S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
Title : Description : Effect on weight : • Manufacturer's Weight Empty change : • Operational Weight Empty change : • Allowable Payload change : Remarks / References Specification changed by this MSCN	
Price per aircraft US DOLLARS: AT DELIVERY CONDITIONS: This change shall be effective on __ AIRCRAFT N° __ and subsequent, provided MSCN is not rejected by . Buyer approval Seller approval By : By : Date : Date :	

MANUFACTURER’S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
Specification repercussion: After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording shall read as follows:	

MANUFACTURER’S SPECIFICATION CHANGE NOTICE (MSCN)	For MSCN Number Issue Dated Page
Scope of change (FOR INFORMATION ONLY)	

FORM OF [*]**

Exhibit B-3

[***]

AIRBUS PRICE REVISION FORMULA

1. BASE PRICE

The A330-900neo Aircraft Base Price and the A350-900 Aircraft Base Price (each and “Aircraft Base Price”) quoted in Subclause 3.1.1 and 3.2.1, respectively, of the Agreement are subject to adjustment for [***].

2. BASE PERIOD

The Aircraft Base Price has been established in accordance with [***].

3. INDEXES

Labor Index: [***].

[***]

[***]

Material Index: [***].

[***]

4. REVISION FORMULA

[***]

5. GENERAL PROVISIONS

5.1 Roundings

The Labor Index average and the Material Index [***].

[***]

[***]

[***]

Exhibit D

5.2 Substitution of Indexes for [***]

If:

(i) [***], or

(ii) [***], or

(iii) [***];

[***].

[***]

[***]

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final [***].

5.4 Limitation

[***]

FORM OF CERTIFICATE OF ACCEPTANCE

In accordance with the terms of [clause [•]] of the purchase agreement dated [*day*] [*month*] [*year*] and made between [*insert name of the party to the Purchase Agreement*] (the “ **Buyer** ”) and Airbus S.A.S. as amended and supplemented from time to time (the “ **Purchase Agreement** ”), the technical acceptance tests relating to one Airbus A3[•]-[•] aircraft, bearing manufacturer’s serial number [•], and registration mark [•](the “ **Aircraft** ”) have taken place in [Blagnac/Hamburg].

In view of said tests having been carried out with satisfactory results, the Buyer, [hereby approves the Aircraft as being in conformity with the provisions of the Purchase Agreement and accepts the Aircraft for delivery in accordance with the provisions of the Purchase Agreement.

Such acceptance shall not impair the rights of the Buyer that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the Buyer, has caused this instrument to be executed by its duly authorized representative this ____ day of [*month*], [*year*] in [Blagnac/Hamburg].

BUYER

Name:

Title:

Signature:

FORM OF BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *société par actions simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the “Seller”), is this [day] [month] [year] the owner of the title to the following airframe (the “Airframe”), the [engines/propulsion systems] as specified (the “[Engines/Propulsion Systems]”) and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, excluding buyer furnished equipment (“BFE”), incorporated therein, installed thereon or attached thereto on the date hereof (the “Parts”):

AIRFRAME:

AIRBUS Model A3[•]-[•]

MANUFACTURER’S

SERIAL NUMBER: [•]

REGISTRATION MARK: [•]

[ENGINES/PROPULSION SYSTEMS]:

[Insert name of engine or propulsion system manufacturer] Model [•]

ENGINE SERIAL NUMBERS:

LH: [•]

RH: [•]

[and [has] such title to the BFE as was acquired by it from [*insert name of vendor of the BFE*] pursuant to a bill of sale dated ____ [month] [year] (the “BFE Bill of Sale”).

The Airframe, Engines/Propulsion Systems and Parts are hereafter together referred to as the “Aircraft”.

The Seller does this ____ day of [month] [year], sell, transfer and deliver all of its above described rights, title and interest in and to the Aircraft [and the BFE] to the following entity and to its successors and assigns forever, said Aircraft [and the BFE] to be the property thereof:

[Insert Name/Address of Buyer]
(the “Buyer”)

The Seller hereby warrants to the Buyer, its successors and assigns that it has[(i)] good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there is conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller shall warrant and defend such title forever against all claims and demands whatsoever [and (ii) such title to the BFE as Seller has acquired from [*insert name of vendor of the BFE*] pursuant to the BFE Bill of Sale].

This Bill of Sale shall be governed by and construed in accordance with the laws of [*same governing law as the Purchase Agreement*].

Exhibit E

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this _____ day of [month], [year] in [Blagnac/Hamburg].

AIRBUS S.A.S.

Name:

Title:

Signature:

EXHIBIT F

SELLER SERVICE LIFE POLICY

LIST OF ITEMS

Exhibit F

1. The Items covered by the Service Life Policy pursuant to Subclause 12.2 are those Seller Items of primary and auxiliary structure described hereunder.
2. **WINGS - CENTER AND OUTER WING BOX (LEFT AND RIGHT)**
 - 2.1 Wing Structure
 - 2.1.1 [***]
 - 2.1.2 [***]
 - 2.1.3 [***]
 - 2.2 Fittings
 - 2.2.1 [***]
 - 2.2.2 [***]
 - 2.2.3 [***]
 - 2.2.4 [***]
 - 2.3 Auxiliary Support Structure
 - 2.3.1 [***]
 - 2.3.1.1 [***]
 - 2.3.1.2 [***]
 - 2.3.2 [***]
 - 2.3.2.1 [***]
 - 2.3.2.2 [***]
 - 2.3.3 [***]
 - 2.3.3.1 [***]

Exhibit F

2.3.3.2 [***]

2.4 Pylon

2.4.1 [***]

2.4.1.1 [***]

2.4.1.2 [***]

2.4.1.3 [***]

2.4.1.4 [***]

3. FUSELAGE

3.1 Fuselage structure

3.1.1 [***]

3.1.2 [***]

3.1.3 [***]

3.1.4 [***]

3.1.5 [***]

3.1.6 [***]

3.1.7 [***]

3.1.8 [***]

3.2 Fittings

3.2.1 [***]

3.2.2 [***]

3.2.3 [***]

4. STABILIZERS

4.1 Horizontal Stabilizer Main Structural Box

4.1.1 [***]

4.1.2 [***]

4.1.3 [***]

4.1.4 [***]

4.1.5 [***]

4.1.5.1 [***]

4.1.5.2 [***]

4.2 Vertical Stabilizer Main Structural Box

4.2.1 [***]

4.2.2 [***]

4.2.3 [***]

4.2.4 [***]

4.2.5 [***]

4.2.5.1 [***]

4.2.5.2 [***]

5. [*]**

[***]

A330-900neo TECHNICAL DATA & SOFTWARE

A330-900neo TECHNICAL DATA & SOFTWARE

[***]

[***]

1. [*]**

[***]

1.1 [*]**

[***]

[***]

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1.2 [*]**

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2. [*]**

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2.1 [*]**

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2.2 [*]**

[***]

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3. **[***]**

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4. **[***]**

4.1 **[***]**.

4.2 **[***]**

5. **[***]**

[***]

A350-900 TECHNICAL DATA & SOFTWARE

A350-900 TECHNICAL DATA & SOFTWARE

[***]

[***]

1. [*]**

[***]

1.1 [*]**

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1.2 [*]**

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2. [*]**

[***]

2.1 [*]**

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2.2 [*]**

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3. [*]**

[***]

[***]

[***]

4. [***]

4.1 [***]

[***]

5. [***]

[***]

EXHIBIT H

MATERIAL

SUPPLY AND SERVICES

1. GENERAL

1.1 Scope

- 1.1.1 This Exhibit H sets forth the terms and conditions for the support and services offered by the Seller to the Buyer with respect to Material (as defined below).
- 1.1.2 References made to Articles shall be deemed to refer to articles of this Exhibit H unless otherwise specified.
- 1.1.3 For purposes of this Exhibit H:
- (i) The term “ **Supplier** ” shall mean any supplier providing any of the Material listed in Article 1.2.1 and the term “ **Supplier Part** ” shall mean an individual item of Material.
 - (ii) The term “ **SPEC 2000** ” means the “E-Business Specification for Materials Management” document published by the Air Transport Association of America.

1.2 Material Categories

- 1.2.1 Each of the following constitutes “ **Material** ” for purposes of this Exhibit H:

- (i) Seller parts;
- (ii) Supplier Parts classified as Repairable Line Maintenance Parts (as defined in SPEC 2000);
- (iii) Supplier Parts classified as Expendable Line Maintenance Parts (as defined in SPEC 2000);
- (iv) Seller and Supplier ground support equipment and specific-to-type tools.

where “ **Seller Parts** ” means Seller’s proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

- 1.2.2 [***]

1.3 Term

During a period commencing on the date hereof and continuing [***], the Seller shall maintain, or cause to be maintained, a reasonable stock of Seller Parts.

The Seller shall use reasonable efforts to obtain a similar service from all Suppliers of Suppliers parts originally installed on an Aircraft at Delivery.

1.4 Airbus Material Store

1.4.1 US Spares Center

The Seller has established and shall maintain or cause to be maintained, during the Term, a spare parts warehouse located in the United States (the “ **US Spares Center** ”). The US Spares Center shall be operated twenty-four (24) hours per day, seven (7) days per week, for the handling of AOG and critical orders for Seller Parts

1.4.2 Material Support Center, Germany

The Seller has established its material handling headquarters in Hamburg, Germany (the “ **Airbus Material Center** ”) and shall, during the Term, maintain, or have maintained on its behalf, a central store of Seller Parts. The Airbus Material Center shall be operated twenty-four (24) hours per day, seven (7) days per week.

1.4.3 Other Points of Shipment

1.4.3.1 In addition to the US Spares Center and the Airbus Material Center, the Seller and its Affiliates operate a global network of regional satellite stores (the “ **Regional Satellite Stores** ”). A list of such stores shall be provided to the Buyer upon the Buyer’s request.

1.4.3.2 Subject to Article 1.4.1, the Seller reserves the right to effect deliveries from distribution centers other than the US Spares Center or the Airbus Material Center, which may include the Regional Satellite Stores or any other production or Supplier’s facilities.

1.5 Customer Order Desk

The Seller operates a “ **Customer Order Desk** ”, the main functions of which are:

- (i) Management of order entries for all priorities, including Aircraft On Ground (“ **AOG** ”);
- (ii) Management of order changes and cancellations;
- (iii) Administration of Buyer’s routing instructions;
- (iv) Management of Material returns;
- (v) Clarification of delivery discrepancies;

(vi) Issuance of credit and debt notes.

The Buyer hereby agrees to communicate its orders for Material to the Customer Order Desk either in electronic format (SPEC 2000) or via the Internet.

1.6 Commitments of the Buyer

1.6.1 During the Term, the Buyer [***]

(i) [***],

or

(ii) [***].

1.6.2 [***]

1.6.2.1 [***]

1.6.2.2 [***]

1.6.2.3 [***]

1.6.2.4 [***]

2. **INITIAL PROVISIONING**

2.1 Period

The initial provisioning period commences with the [***] (“ **Initial Provisioning Period** ”).

2.2 Pre-Provisioning Meeting

2.2.1 The Seller shall organize a pre-provisioning meeting at the US Spares Center or at the Airbus Material Center, or at any other agreed location, for the purpose of setting an acceptable schedule and working procedure for the preparation of the initial issue of the Provisioning Data and the Initial Provisioning Conference referred to in Articles 2.3 and 2.4 below (the “ **Pre-Provisioning Meeting** ”).

During the Pre-Provisioning Meeting, the Seller shall familiarize the Buyer with the provisioning processes, methods and formulae of calculation and documentation.

- 2.2.2 The Pre-Provisioning Meeting shall take place on an agreed date that is no later than [***] prior to Scheduled Delivery Month of the first Aircraft, allowing a minimum preparation time of [***] for the Initial Provisioning Conference.

2.3 Initial Provisioning Conference

The Seller shall organize an initial provisioning conference at the US Spares Center or at the Airbus Material Center (the “ **Initial Provisioning Conference** ”), the purpose of which shall be to agree the material scope and working procedures to accomplish the initial provisioning of Material (the “ **Initial Provisioning** ”).

The Initial Provisioning Conference shall take place at the earliest [***].

2.4 Provisioning Data

- 2.4.1 Provisioning data generally in accordance with SPEC 2000, Chapter 1, for Material described in Articles 1.2.1 (i) through 1.2.1 (iii) (“ **Provisioning Data** ”) shall be supplied by the Seller to the Buyer in the English language, in a format and timeframe to be agreed during the Pre-Provisioning Meeting.

- 2.4.1.1 Unless a longer revision cycle has been agreed, the Provisioning Data shall be revised [***] up to the end of the Initial Provisioning Period.

- 2.4.1.2 The Seller shall ensure that Provisioning Data is provided to the Buyer in time to permit the Buyer to perform any necessary evaluation and to place orders in a timely manner.

- 2.4.1.3 Provisioning Data generated by the Seller shall comply with the configuration of the Aircraft as documented [***] before the date of issue.

This provision shall not cover:

- (i) Buyer modifications not known to the Seller, or
- (ii) other modifications not approved by the Seller’s Aviation Authorities.

2.4.2 Supplier–Supplied Data

Provisioning Data relating to each Supplier Part (both initial issue and revisions) shall be produced by Supplier thereof and may be delivered to the Buyer either by the Seller or such Supplier. It is agreed and understood by the Buyer that the Seller shall not be responsible for the substance, accuracy or quality of such data. Such Provisioning Data shall be provided in either SPEC 2000 format or any other agreed format.

2.4.3 Supplementary Data

The Seller shall provide the Buyer with data supplementary to the Provisioning Data, comprising local manufacture tables, ground support equipment, specific-to-type tools and a pool item candidate list.

2.5 Commercial Offer

Upon the Buyer's request, the Seller shall submit a commercial offer for Initial Provisioning Material which shall include a delivery date for such Initial Provisioning Material.

2.6 Delivery of Initial Provisioning Material

2.6.1 During the Initial Provisioning Period, Initial Provisioning Material shall conform to the latest known configuration standard of the Aircraft for which such Material is intended as reflected in the Provisioning Data transmitted by the Seller.

2.6.2 The delivery of Initial Provisioning Material shall take place (i) according to the conditions specified in the commercial offer mentioned in Article 2.5 and (ii) at a location designated by the Buyer.

2.6.3 All Initial Provisioning Material shall be packaged in accordance with ATA 300 Specification.

2.7 [***]

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

(g) [***]

3. OTHER MATERIAL SUPPORT

As of the date hereof, the Seller currently offers various types of parts support through the Customer Services Catalog on the terms and conditions set forth therein from time to time, including, but not limited to the lease of certain Seller Parts, the repair of Seller Parts and the sale or lease of ground support equipment and specific-to-type tools.

4. WARRANTIES

4.1 Seller Parts

Subject to the limitations and conditions as hereinafter provided, the Seller warrants to the Buyer that all Seller Parts, sold under this Exhibit H shall at delivery to the Buyer:

- (i) be free from defects in material.
- (ii) be free from defects in workmanship, including without limitation processes of manufacture.
- (iii) be free from defects in design having regard to the state of the art of such design; and
- (iv) be free from defects arising from failure to conform to the applicable specification for such part.

4.1.2 Warranty Period

4.1.2.1 The warranty period for Seller Parts is [***] from delivery of such parts to the Buyer.

4.1.2.2 Whenever any Seller Part that contains a defect for which the Seller is liable under Article 4.1 has been corrected, replaced or repaired pursuant to the terms of this Article 4.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Seller Part, as the case may be, [***].

4.1.3 Buyer's Remedy and Seller's Obligation

The Buyer's remedy and the Seller's obligation and liability under this Article 4.1 are limited to the repair, replacement or correction, at the Seller's expense and option, of any Seller Part that is defective.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price of such Seller Part.

The provisions of Subclauses 12.1.5 through 12.1.10 of the Agreement shall apply to claims made pursuant to this Article 4.1.

4.2 Supplier Parts

With respect to Supplier Parts to be delivered to the Buyer under this Exhibit H, the Seller agrees to transfer to the Buyer the benefit of any warranties, which the Seller may have obtained from the corresponding Suppliers and the Buyer hereby agrees that it shall accept the same.

4.3 Waiver, Release and Renunciation

THIS ARTICLE 4 (INCLUDING ITS SUBPARTS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS EXHIBIT H OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES DELIVERED BY THE SELLER UNDER THIS EXHIBIT H.

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS ARTICLE 4 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE SELLER PARTS, MATERIALS, LEASED PARTS, OR SERVICES SUPPLIED UNDER THIS EXHIBIT H. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER AND ITS SUPPLIERS, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES DELIVERED BY THE SELLER UNDER THIS EXHIBIT H, INCLUDING BUT NOT LIMITED TO:

- (1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;
- (2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;
- (4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;
- (5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;
- (6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;

(7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:

(a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;

(b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;

(c) LOSS OF PROFITS AND/OR REVENUES;

(d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES PROVIDED BY THIS EXHIBIT H SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS ARTICLE 4 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS ARTICLE 4 SHALL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 4, THE “SELLER” SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS AND AFFILIATES.

4.4 Duplicate Remedies

The remedies provided to the Buyer under this Article 4 as to any part thereof are mutually exclusive and not cumulative. The Buyer shall be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Article 4 for any particular defect for which remedies are provided under this Article 4; provided, however, that the Buyer shall not be entitled to elect a remedy under one part of this Article 4 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. [***]

5. **COMMERCIAL CONDITIONS**

5.1 Delivery Terms

All Material prices are quoted on the basis of Free Carrier (FCA) delivery terms, without regard to the place from which such Material is shipped. The term “ **Free Carrier (FCA)** ” is as defined in the Incoterms 2010 publication issued by the International Chamber of Commerce,

5.2 Payment Procedures and Conditions

Exhibit H

All payments under this Exhibit H shall be made in accordance with the terms and conditions set forth in the then current Customer Services e-Catalog.

5.3 Title

Title to any Material purchased under this Exhibit H shall remain with the Seller until full payment of the invoices and interest thereon, if any, has been received by the Seller.

The Buyer hereby undertakes that Material title to which has not passed to the Buyer, shall be kept free from any debenture or mortgage or any similar charge or claim in favour of any third party.

5.4 [***]

[***]

6. **EXCUSABLE DELAY**

[***]

7. [***]

8. **INCONSISTENCY**

In the event of any inconsistency between this Exhibit H and the Customer Services Catalog or any order placed by the Buyer, this Exhibit H shall prevail to the extent of such inconsistency.

EXHIBIT I
LICENSES AND ON LINE SERVICES

- Part 1 END-USER LICENSE AGREEMENT FOR AIRBUS SOFTWARE**
- Part 2 END-USER SUBLICENSE AGREEMENT FOR SUPPLIER SOFTWARE**
- Part 3 END-USER SUBLICENSE AGREEMENT FOR ACS SUPPLIER SOFTWARE**

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PART 1

END-USER LICENSE AGREEMENT FOR AIRBUS SOFTWARE

1 DEFINITIONS

For the purposes of this end-user license agreement for Airbus software (the “ **Software License** ”) the following definitions shall apply:

“ **Agreement** ” means the Purchase Agreement of even date herewith entered into between the Licensee and the Licensor covering the purchase and sale of the Aircraft subject thereof.

“**Airbus Software**” means each of the Licensor’s proprietary computer programs including database(s) and /or data if applicable and Updates as may be provided by the Licensor from time to time. The Airbus Software shall be supplied only for use in connection with the Aircraft or with operations related to the Aircraft [***]. The Airbus Software shall be either:

- Airbus Part 25 and/or FAR 25 certified software that are installed on board the Aircraft and bear a part number of the Licensor, excluding any software embedded in any component, furnishing or equipment installed on the Aircraft and itself bearing a part number (“ **On Board Certified Software** ”).
- Software provided by Airbus and intended to be used on ground or that are installed on board the Aircraft and that are not Part 25 and/or FAR 25 certified - whether or not bearing a part number of the Licensor - excluding any software embedded in any component, furnishing or equipment installed on the Aircraft and itself bearing a part number (“ **Software Product** ”) either:
 - delivered in binary code to be installed and used on the Licensee hardware (“ **Standard License** ”), or
 - delivered as a service where the Licensee will be authorized to use the Airbus Software through a network connection (“ **SaaS License** ”).

“ **Aircraft** ” means, individually or collectively, the Aircraft subject of the Agreement.

“**Documentation**” means documents, provided together with the Airbus Software, which describe the main features of the Airbus Software and how to use it.

“ **Licensee** ” means the Buyer under the Agreement.

“ **Licensor** ” means the Seller under the Agreement.

“**Open Source Software**” means software that is [***] distributed under a licence which is considered either by the “Free Software Foundation” as a free software licence or the “Open Source Initiative” as an open source software licence or any similar license [***]. It is hereby acknowledged and agreed by the Licensor and the Licensee that such open source software shall be distributed by the Licensor on an "As Is" basis under their own

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“**Sublicensor**” means Airbus Americas Customer Services, Inc.

“**Third Party Products**” means any third party computer program, database or component that the Licensor [***] purchases or licenses from any third party and distributed to the Licensee either as a sublicense or as a direct license from such third party, under its own license terms and conditions and not under this Software License [***]. The Licensor disclaims any liability in relation to such third party products.

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[***]

3 ASSIGNMENT AND DELEGATION

3.1 Assignment

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The Licensee may at any time assign or otherwise transfer all or part of its rights pertaining to any On Board Certified Software under this Software License only as part of, and to the extent of, a sale, transfer or lease of each Aircraft on which such On Board Certified Software is installed. The Licensee shall assign as many Software Licenses as the number of sold, transferred or leased Aircraft and shall retain all other Software Licenses attached to any Aircraft that the Licensee continues to operate.

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In the event of any such assignment or transfer, the Licensee shall transfer the copies of the Airbus Software attached to the sold, transferred or leased Aircraft (including all component parts, media, any upgrades or backup copies and, if applicable, certificate(s) of authenticity), except as otherwise instructed by the Licensor with respect to the logistics of such transfer.

3.1.2 Software Products

Save as otherwise set forth in the Agreement, the right to use any Software Product is personal to the Licensee, for its own internal use, and is non-transferable, except with the Licensor's or the Sublicensor's prior written consent, in which case the Licensee shall cause the assignee or sub-licensee to agree to the terms of this Software License.

3.2 Delegation

(i) Without prejudice to Article 6 (a) hereof, in the event of the Licensee intending to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing or any other service on its behalf through use of the Airbus Software (each a "Service Provider"), the Licensee shall have the right to do so (subject to paragraph 3.2 (ii)) below by providing notice to the Sublicensor of such intention prior to any disclosure of this Software License and/or the Airbus Software to such Service Provider.

(ii) The Licensee hereby undertakes to cause such Service Provider to agree to be bound by the conditions and restrictions set forth in this Software License with respect to the Airbus Software and shall in particular cause such Service Provider to enter into an appropriate license agreement with the Sublicensor, [***].

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5 TERM

5.1 On Board Certified Software

The rights under this Software License related to On Board Certified Software shall be granted from the date of Delivery of the applicable Aircraft until the earlier of: (i) such Aircraft definitively ceasing to be operated, in which case the license rights to Airbus Software related to such Aircraft shall be deemed terminated on the date of the last

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operation thereof by the Licensee or any of its assignees, or (ii) this Software License being terminated as set forth herein, in which case the Licensee shall immediately cease to use the On Board Certified Software.

5.2 Software Products

Subject to the payment of the license fee as applicable, the rights under this Software License related to Software Products shall be granted from the date of first delivery or availability of the Software Product as applicable until the earlier of: (i) the Licensee no longer owning or operating any Aircraft, or (ii) this Software License being terminated as set forth herein.

6 CONDITIONS OF USE

The Airbus Software shall only be used for the Permitted Purpose.

Except as expressly set forth herein, the Licensee shall be solely responsible for, and agrees to be careful in the use of, all outputs and results derived from the operation of the Airbus Software and all consequences, direct and indirect, relating to the use of such output and results. The Licensee agrees to use such outputs and results only once it has verified such outputs and results and has checked the relevance and correctness thereof, in the light of its particular needs.

The Licensee expressly acknowledges that it shall take all appropriate precautions for the use of the Airbus Software, including without limitation measures required for its compliance with the Documentation or any supplemental directive regarding the use of the Airbus Software.

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- a) not permit any parent, subsidiary, affiliate, agent or third party to use the Airbus Software in any manner not permitted by this Software License, including, but not limited to, any outsourcing, loan, commercialization of the Airbus Software or commercialization by merging the Airbus Software into another software or adapting the Airbus Software, without the prior written consent from the Sublicensor;
- b) do its utmost to maintain the Airbus Software and the Documentation in good working condition, in order to ensure the correct operation thereof;
- c) use the Airbus Software in accordance with its Documentation and ensure that the personnel using the Airbus Software has received appropriate training;
- d) use the Airbus Software exclusively in the technical environment defined in the applicable Documentation, except as otherwise agreed in writing between the parties;
- e) except as permitted by applicable law, not alter, reverse engineer, modify, correct, translate, disassemble, decompile or adapt the Airbus Software, nor integrate all or part of the Airbus Software in any manner whatsoever into another software product,

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nor create a software product derived from the Airbus Software save with the Licensor's prior written approval.

- f) should the Licensor or the Sublicensor have elected to provide the source code to the Licensee, have the right to study and test the Airbus Software, under conditions to be expressly specified by the Licensor or the Sublicensor, but in no event shall the Licensee have the right to correct, modify or translate the Airbus Software;
- g) except with respect to Software Products intended to be used on ground, use the Airbus Software exclusively on the referenced machines and the declared sites;
- h) not attempt to discover or re-write the Airbus Software source codes in any manner whatsoever;
- i) not delete any identification or declaration relative to the intellectual property rights, trademarks or any other information related to ownership or intellectual property rights in the Airbus Software;
- j) except as permitted hereunder, not pledge, sell, distribute, grant, sublicense, lease, lend, whether on a free-of-charge basis or against payment, or permit access on a time-sharing basis or any other utilization of the Airbus Software, whether in whole or in part, for the benefit of a third party.

With respect to Software Products intended for use on ground, the Licensor shall be entitled, subject to providing reasonable prior written notice thereof to the Licensee, to verify at the Licensee's facilities whether the conditions specified in the present Software License are fulfilled.

7 TRAINING

In addition to the Documentation provided with the Airbus Software, training and other assistance may be provided upon the Licensee's request, subject to the conditions set forth in the Agreement. Such assistance or training shall not operate to relieve the Licensee of its sole responsibility with respect to the use of the Airbus Software under this Software License.

8 PROPRIETARY RIGHTS - RIGHT TO CORRECT AND MODIFY

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- 8.2** The Licensor reserves the right to correct and modify [***] any Airbus Software at its sole discretion [***]. In the event of the Licensee failing to install any Update(s) [***], the Licensor and the Sublicensor shall be relieved of any warranty or liability of any kind with respect to [***] of the Airbus Software [***].

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9 COPYRIGHT [*] INDEMNITY**

9.1 Indemnity

9.1.1 Subject to the provisions of Article 9.2.3, the Licensor and/or the Sublicensor shall defend and indemnify the Licensee, [***] from and against any [***], damages, costs and expenses including legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of the Aircraft) resulting from any infringement, or claim of infringement, by any Airbus Software provided by the Licensor or the Sublicensor, [***] of any copyright [***], provided that the Licensor's and Sublicensor's obligation to indemnify shall be limited to infringements in countries which, at the time of the infringement or alleged infringement, are members of The Berne Convention and recognize computer software as a "work" under the Berne Convention.

9.1.2 [***], in the event that the Licensee is prevented from using the Airbus Software for infringement of a copyright [***] referred to in Article 9.1.1 (whether by a valid judgment of a court of competent jurisdiction or by a settlement arrived at between claimant, Licensor and Licensee), the Licensor and/or the Sublicensor shall at its expense either:

- (i) procure for the Licensee the right to use the same free of charge to the Licensee; or
- (ii) [***] replace the infringing part of the Airbus Software as soon as possible with a non-infringing substitute complying in all other respects with the requirements of this Software License.

9.2 Administration of Copyright [*] Indemnity Claims**

9.2.1 If the Licensee receives a written claim or a suit is threatened or commenced against the Licensee for infringement of a copyright [***] referred to in Article 9.1 as a result of the use of the Airbus Software, the Licensee shall:

- (i) forthwith notify the Licensor giving particulars thereof;
- (ii) furnish to the Licensor all data, papers and records within the Licensee's control or possession relating to such claim or suit;
- (iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Article (iii) shall prevent the Licensee from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;
- (iv) fully co-operate with, and render all such assistance to the Licensor as be may be pertinent to the defense or denial of the suit or claim;
- (v) act in such way as to mitigate damages and/or reduce the amount of royalties that may be payable as well as to minimize costs and expenses.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

9.2.2 The Licensor or Sublicensor shall be entitled, either in its own name or on behalf of the Licensee, to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner, which it deems proper.

9.2.3 The Licensor's and the Sublicensor's obligations and the Licensee's remedies hereunder are dependent upon the strict and timely compliance by the Licensee with the terms of this Clause 9 and of Clauses 6(e), 6(h), 6(i) and 8.2, [***] are exclusive and in substitution for, and the Licensee hereby waives, releases and renounces all other obligations and liabilities of the Licensor and the Sublicensor and rights, claims and remedies of the Licensee against the Licensor and the Sublicensor, express or implied, arising by law or otherwise with respect to any infringement or claim of infringement of any copyright [***].

10 CONFIDENTIALITY

The Airbus Software, this Software License and their contents [***] are designated as confidential [***]. The [***] not to disclose the [***] Information or any parts thereof [***] to any third party without the prior written consent of the [***], without prejudice to any provisions set forth in the Agreement. In so far as it is necessary to disclose aspects of the [***] Information [***], such disclosure is permitted solely for the purpose of [***] and only to those employees who need to know the same. [***] required pursuant to an enforceable court order or any [***] or regulatory [***], provided that reasonable prior notice of the intended disclosure is provided to the other party.

The obligations of the [***] to maintain confidentiality shall survive the termination of this Software License for a period of ten (10) years.

11 ACCEPTANCE

Acceptance of the On Board Certified Software shall occur as part of the Technical Acceptance Process set out in Clause 8 of the Agreement.

Software Products shall be deemed accepted upon delivery thereof unless otherwise specifically provided for in the Agreement.

12 WARRANTY

12.1 On Board Certified Software

[***]

12.2 Software Products

The Licensor warrants that Software Products shall perform substantially in accordance with its current Documentation.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Should the Software Product be found not to conform to its current Documentation, the Licensee shall notify the Sublicensor promptly but no later than two (2) months after delivery or availability of the Software Product or the Update that caused the nonconformity, as applicable. The sole and exclusive liability of the Licensor, as the consequence of such non-conformity, shall be to take reasonable, proper and prompt steps to correct and/or replace the Software Product at its own expense.

12.3 The Licensor and the Sublicensor shall be relieved of any obligations under Articles 12.1 and 12.2 to the extent of:

- (i) Airbus Software defects or non-conformities caused by alterations or modifications to the Airbus Software carried out without the prior approval of the Licensor;
- (ii) Airbus Software defects or non-conformities caused by negligence of the Licensee or other causes [***];
- (iii) Failure of the Licensee to install any Update in accordance with Article 8 hereof;
- (iv) Airbus Software defects or non-conformities caused by errors in or modifications of or updates to operating systems, databases or other software or hardware with which the Airbus Software interfaces, where such elements have not been provided by the Licensor [***].

The Licensee shall be responsible for the cost and expense of any correction services provided by the Licensor to the extent resulting from any of the foregoing exclusions. Such correction services shall be subject to the then applicable commercial conditions.

12.4 Waiver, release and renunciation

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE LICENSOR (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) AND REMEDIES OF THE LICENSEE THAT ARE SET FORTH IN THIS SOFTWARE LICENSE OR ANY REFERENCED AGREEMENT ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE LICENSEE HEREBY WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE LICENSOR AND RIGHTS, CLAIMS AND REMEDIES OF THE LICENSEE AGAINST THE LICENSOR, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND IN ANY AIRBUS SOFTWARE AND AIRBUS SOFTWARE-RELATED SERVICES DELIVERED UNDER THE AGREEMENT AND/OR THIS SOFTWARE LICENSE, INCLUDING BUT NOT LIMITED TO:

- (A) ANY WARRANTY AGAINST HIDDEN DEFECTS;
- (B) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;
- (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT AND WHETHER OR NOT ARISING FROM THE LICENSOR'S NEGLIGENCE, ACTUAL OR IMPUTED; AND

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THE AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT OR FOR ANY OTHER DIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS SOFTWARE LICENSE SHALL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 12, "THE LICENSOR" SHALL BE UNDERSTOOD TO INCLUDE THE LICENSOR AND THE SUB-LICENSOR AND, ANY OF THEIR SUPPLIERS AND SUBCONTRACTORS, THEIR AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

Other than its confidentiality obligations, the Licensor shall have no liability for data that is entered into the Airbus Software by the Licensee and/or used for computation purposes.

13 LIMITATION OF LIABILITY

[***]

14 EXCUSABLE DELAYS

14.1 The Licensor shall not be responsible nor be deemed to be in default on account of delays in delivery of any Airbus Software or Update due to causes reasonably beyond the Licensor's or its subcontractors' control including but not limited to: natural disasters, fires, floods, explosions or earthquakes, epidemics or quarantine restrictions, serious accidents, total or constructive total loss, any act of the government of the country of the Licensee or the governments of the countries of Licensor or its subcontractors, war, insurrections or riots, failure of transportation, communications or services, strikes or labor troubles causing cessation, slow down or interruption of services, inability after due and timely diligence to procure materials, accessories, equipment or parts, failure of a subcontractor or supplier to furnish materials, accessories, equipment or parts due to causes reasonably beyond such subcontractor's or supplier's control or failure of the Licensee to comply with its obligations arising out of the present Software License.

14.2 The Licensor shall, as soon as practicable after becoming aware of any delay falling within the provisions of this Article, notify the Licensee of such delay and of the probable extent thereof and shall, subject to the conditions as hereinafter provided and as soon as practicable after the removal of the cause or causes for delay, resume delivery of the delayed Airbus Software or Update.

For the avoidance of doubt, nothing in this Clause 14 shall be deemed to modify or limit Clause 10 of the Agreement

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

15 TERMINATION

15.1 [***]

15.2 [***]

[***]

15.3 [***]

(a) [***]

(b) [***]

(c) [***]

[***]

15.4 In the event of termination by Licensee pursuant to Clause 15.1 or termination by Licensor or Sublicensor pursuant to Clause 15.2 or 15.3(b) or 15.3(c), the Licensee shall no longer have any right to use the Airbus Software that is subject to such termination and shall return to the Sublicensor all copies of the subject Airbus Software and any relating Documentation.

16 GENERAL PROVISIONS

16.1 This Software License is an Exhibit to the Agreement and integrally forms part thereof. As a result, any non-conflicting terms of the Agreement are deemed incorporated herein to the extent they are relevant in the context of this Software License.

16.2 Notwithstanding the terms of Clause 22.10 of the Agreement, in the event of any inconsistency or discrepancy between any term of this Software License and any term of the Agreement (including any other Exhibit or Appendices thereto or other Parts of this Exhibit I), the terms of this Software License shall take precedence over the conflicting terms of the Agreement to the extent necessary to resolve such inconsistency or discrepancy.

16.3 THIS SOFTWARE LICENSE SHALL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Sublicensor and Licensor (i) hereby irrevocably submits itself to the exclusive jurisdiction of the courts sitting in the Borough of Manhattan, New York County, New York, for the purposes of any suit, action or other proceeding arising out of this Software License, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defence or otherwise, in any such suit, action or proceeding, to the extent permitted

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

by applicable law, any defence based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Software License or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

16.4 [***]

16.5 [***]

PART 2

END-USER SUBLICENSE AGREEMENT FOR SUPPLIER SOFTWARE

1 DEFINITIONS

For the purposes of this end-user sublicense agreement for Supplier Software (the “ **Software Sublicense** ”) the following definitions shall apply:

“ **Agreement** ” means the Purchase Agreement of even date herewith covering the purchase and sale of the Aircraft subject thereof.

“ **Aircraft** ” means, individually or collectively, the Aircraft subject of the Agreement.

“ **Composite Work** ” means the package composed of various elements, such as database(s), software or data, and which necessitates the use of the Supplier Software.

“ **Permitted Purpose** ” means use of the Supplier Software by the Sublicensee for its own internal business needs, solely in conjunction with the Aircraft and in particular pertaining to (i) operation of the Aircraft; (ii) on ground operational support of the Aircraft; or (iii) related authorized customization of software.

“ **Sublicensee** ” means the Buyer under the Agreement.

“ **Sublicensor** ” means the Seller under the Agreement as authorized by the Supplier to sublicense the Supplier Software to the operators of Airbus aircraft.

“ **Sub-Sublicensor** ” means Airbus Americas Customer Services, Inc.

“ **Supplier** ” means each of the Sublicensor’s suppliers owning the intellectual property rights in the corresponding Supplier Software (or holding the right to authorize the Sublicensor to sublicense such Supplier Software) and having granted to the Sublicensor the right to sublicense such Supplier Software.

“ **Supplier Product Support Agreement** ” shall have the meaning set forth in Clause 17.1.2 of the Agreement.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

“ **Supplier Software** ” means each of the Supplier’s proprietary products including Composite Work, configurations, processes, rules (together with any related documentation) as well as any modifications, enhancements or extensions thereto, as may be provided by the Supplier or the Sublicensor from time to time and the supply of which to the Sublicensee is governed by a Supplier Product Support Agreement. The Supplier Software shall be supplied in machine-readable code form only, for use in connection with the Aircraft or operations related to the Aircraft. For the avoidance of doubt, this Software Sublicense does not apply to (i) any software embedded in any component, furnishing or equipment installed on the Aircraft and itself bearing a partnumber (ii) third party software not provided under a Supplier Product Support Agreement, including but not limited to any standard, “off the shelf” software (Components Off The Shelf/COTS) and (iii) open source software contained in the Supplier Software, if any, and it is hereby acknowledged and agreed by both parties hereto that such open source software is independently distributed on an “as is” basis under the respective license terms therefor, and that the Sublicensor and Sub-Sublicensor disclaims any liability in relation to such open source software.

“ **Update(s)** ” means any update(s) or replacement(s) to the Supplier Software licensed hereunder, which the Sublicensor or the Supplier, at their discretion, make generally available to the Sublicensee.

“ **User Guide** ” means the documentation, which may be in electronic format, designed to assist the Sublicensee in using the Supplier Software.

Capitalized terms used herein and not otherwise defined in this Software Sublicense shall have the meaning assigned thereto in the Agreement.

2 LICENSE

In consideration of the purchase by the Sublicensee of the Aircraft, the Sublicensee is hereby granted a [***]. Each Supplier shall remain the owner of all intellectual property rights in the Supplier Software. There shall be one Software Sublicense granted in respect of each Aircraft purchased by the Sublicensee.

The Sublicensee hereby acknowledges that it is aware that certain Supplier Software subject of this Software Sublicense may incorporate some third party software or open source software components. The Sublicensee hereby agrees to be bound by the licensing terms and conditions applicable to such third party software and made available by the Sublicensor and/or Sub-Sublicensor through AirbusWorld.

3 ASSIGNMENT AND DELEGATION

3.1 Assignment

The Sublicensee may, at any time, assign or otherwise transfer all or part of its rights under this Software Sublicense only as part of, and to the extent of, a sale, transfer or lease of any or all of the Aircraft to which the Supplier Software are related provided that the Sublicensee causes the assignee to agree to the terms of this Software Sublicense.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

The Sublicensee shall assign a Software Sublicense for all Supplier Software installed on the sold, transferred or leased Aircraft and shall retain all other Software Sublicenses attached to any Aircraft that the Sublicensee continues to operate.

In the event of any such assignment or transfer, the Sublicensee shall transfer the copies of the Supplier Software attached to the sold, transferred or leased Aircraft (including all component parts, media, any upgrades or backup copies, this Software Sublicense, and if applicable, certificate(s) of authenticity), except as otherwise instructed by the Sublicensor or Sub-Sublicensor.

3.2 Delegation

Without prejudice to Article 10 hereof, in the event of the Sublicensee intending to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a “ **Third Party** ”), the Sublicensee shall notify the Sub-Sublicensor of such intention prior to any disclosure of this Software Sublicense and/or the Supplier Software to such Third Party.

The Sublicensee hereby undertakes to cause such Third Party to enter into appropriate licensing conditions with the corresponding Supplier [***].

4 COPIES

Use of the Supplier Software is limited to the number of copies delivered by the Sublicensor or the Sub-Sublicensor to the Sublicensee and to the medium on which the Supplier Software is delivered. No reproduction shall be made without the written consent of the Sublicensor or the Sub-Sublicensor, except that the Sublicensee is authorized to copy the Supplier Software for back-up and archiving purposes. Any copy the Sublicensor or the Sub-Sublicensor authorizes the Sublicensee to make shall be performed under the sole responsibility of the Sublicensee. The Sublicensee agrees to reproduce the copyright and other notices as they appear on or within the original media on any copies that the Sublicensee makes of the Supplier Software.

5 TERM

Subject to the Sublicensee having complied with the terms of this Software Sublicense, the rights under this Software Sublicense shall be granted from the date of Delivery of each Aircraft until the earlier of (i) the Aircraft ceasing to be operated, in which case the license rights pertaining to such Aircraft shall be deemed terminated for such Aircraft on the date of the last operation thereof by the Sublicensee or any of its assignees, or (ii) the Agreement, this Software Sublicense or any part thereof, being terminated for any reason whatsoever, in which case the Sublicensee shall immediately cease to use the affected Supplier Software upon the effective termination date.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

6 CONDITIONS OF USE

The Supplier Software shall only be used for the Permitted Purpose.

The Sublicensee shall be solely responsible for, and agrees to be careful in the use of, all outputs and results derived from the operation of the Supplier Software and all consequences, direct and indirect, relating to the use of such output and results. The Sublicensee agrees to use such outputs and results only once it has verified such outputs and results and has checked the relevance and correctness thereof, in the light of its particular needs.

The Sublicensee expressly acknowledges that it will take all appropriate precautions for the use of the Supplier Software, including without limitation measures required for its compliance with the User Guide or any information or directive regarding the use of the Supplier Software.

Under the present Software Sublicense, the Sublicensee shall:

- a) not permit any parent, subsidiary, affiliate, agent or other third party to use the Supplier Software in any manner, including, but not limited to, any outsourcing, loan, commercialization of the Supplier Software or commercialization by merging the Supplier Software into another software or adapting the Supplier Software, without the prior written consent from the Supplier;
- b) do its utmost to maintain the Supplier Software and the relating documentation in good working condition, in order to ensure the correct operation thereof;
- c) use the Supplier Software in accordance with such documentation and the User Guide, and ensure that the personnel using the Supplier Software has received appropriate training;
- d) use the Supplier Software exclusively in the technical environment defined in the applicable User Guide, except as otherwise agreed in writing between the parties;
- e) except as permitted by applicable law, not alter, reverse engineer, modify, correct, translate, disassemble, decompile or adapt the Supplier Software, nor integrate all or part of the Supplier Software in any manner whatsoever into another software product; nor create a software product derived from the Supplier Software save with the Supplier's prior written approval;
- f) should the Sublicensor or the Supplier have elected to provide the source code to the Sublicensee, have the right to study and test the Supplier Software, under conditions to be expressly specified by the Sublicensor or the Sub-Sublicensor, but in no event shall the Sublicensee have the right to correct, modify or translate the Supplier Software;
- g) not attempt to discover or re-write the Supplier Software source codes in any manner whatsoever;

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- h) not delete any identification or declaration relative to the intellectual property rights, trademarks or any other information related to ownership or intellectual property rights in the Supplier Software;
- i) not pledge, sell, distribute, grant, sublicense, lease, lend, whether on a free-of-charge basis or against payment, or permit access on a time-sharing basis or any other utilization of the Supplier Software, whether in whole or in part, for the benefit of a third party;

7 TRAINING

In addition to the User Guide provided with the Supplier Software, training and other assistance shall be provided upon the Sublicensee's request, subject to conditions set forth in the Agreement. Such assistance or training shall not operate to relieve the Sublicensee of its sole responsibility with respect to the use of the Supplier Software under this Software Sublicense.

8 PROPRIETARY RIGHTS - RIGHT TO CORRECT AND MODIFY

8.1 The Supplier Software is proprietary to the Supplier and the Sublicensor represents and warrants that it has been granted the intellectual property rights necessary to grant this Software Sublicense. The copyright and all other proprietary rights in the Supplier Software are and shall remain the property of the Supplier.

8.2 The Supplier may correct or modify its Supplier Software from time to time at its sole discretion and the Sublicensee shall not undertake any correction or modification of the Supplier Software without the Sublicensor's or the Sub-Sublicensor's prior written approval. The Sublicensee shall install any Updates provided either by the Supplier or the Sublicensor in accordance with the time schedule notified with the provision of such Update(s). In the event of the Sublicensee failing to install any such Update(s), both the Sublicensor and the Supplier shall be relieved of any warranty or liability of any kind with respect to the conformity or operation of the Supplier Software.

9 COPYRIGHT INDEMNITY

The Sublicensee hereby accepts the transfer to its benefit of all transferable and enforceable copyright indemnity conditions related to the corresponding Supplier Software and contained in the applicable Supplier Product Support Agreement.

10 CONFIDENTIALITY

The Supplier Software, this Software Sub-license and their contents are designated as confidential. The Sublicensee undertakes not to disclose the Software Sub-license, the Supplier Software or any parts thereof to any third party without the prior written consent of the Sub-Sublicensor, except to the lessee in case of lease of an Aircraft or to the buyer

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

in case of resale of the Aircraft, without prejudice to any provisions set forth in the Agreement. In so far as it is necessary to disclose aspects of the Supplier Software to the Sublicensee's employees, such disclosure is permitted solely for the purpose for which the Supplier Software is supplied and only to those employees who need to know the same, save as permitted herein or where otherwise required pursuant to an enforceable court order or any governmental decision or regulatory provision imposed on the Sublicensee, provided that reasonable prior notice of the intended disclosure is provided to the Sub-Sublicensor.

The obligations of the Sublicensee to maintain confidentiality shall survive the termination of this Software Sublicense for a period of ten (10) years.

11 ACCEPTANCE

Supplier Software shall be deemed accepted as part of the Technical Acceptance Process set out in Clause 8 of the Agreement.

12 WARRANTY

The Sublicensee hereby accepts the transfer to its benefit of all transferable and enforceable warranties related to the corresponding Supplier Software and contained in the applicable Supplier Product Support Agreement.

As a result, the Sublicensee acknowledges that the transferable and enforceable warranties, obligations and liabilities contained in the Supplier Product Support Agreement shall constitute the sole and exclusive remedy available in the event of any defect or non-conformity of the Supplier Software.

None of the Supplier, the Sublicensor or the Sub-Licensor shall have any liability for data that is entered into the Supplier Software by the Sublicensee and/or used for computation purposes.

13 LIABILITY AND INDEMNITY

The Supplier Software is supplied under the express condition that none of the Supplier the Sublicensor or the Sub-Sublicensor shall have any liability in contract or in tort arising from or in connection with the use and/or possession by the Sublicensee of the Supplier Software and that the Sublicensee shall indemnify and hold the Sublicensor, the Sub-Sublicensor and the Supplier harmless from and against any liabilities and claims from third parties arising from such use and/or possession.

14 EXCUSABLE DELAYS

- 14.1** None of the Sublicensor, the Sub-Sublicensor or the Supplier(s) shall be responsible nor be deemed to be in default on account of delays in delivery of any Supplier Software or Updates due to causes reasonably beyond the Sublicensor's, the Sub-Sublicensor's or

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

their suppliers' or subcontractors' (including the Supplier) control including but not limited to: natural disasters, fires, floods, explosions or earthquakes, epidemics or quarantine restrictions, serious accidents, total or constructive total loss, any act of the government of the country of the Sublicensee or the governments of the countries of the Sublicensor, the Sub-Sublicensor or their subcontractors or its suppliers (including the Supplier), war, insurrections or riots, failure of transportation, communications or services, strikes or labor troubles causing cessation, slow down or interruption of services, inability after due and timely diligence to procure materials, accessories, equipment or parts, failure of a subcontractor or supplier (including the Supplier) to furnish materials, accessories, equipment or parts due to causes reasonably beyond such subcontractor's or supplier's (including the Supplier) control or failure of the Sublicensee or the Supplier to comply with its obligations arising out of the present Software Sublicense.

- 14.2** The Sublicensor or the Sub-Sublicensor shall, and/or shall cause the Supplier to, as soon as practicable after becoming aware of any delay falling within the provisions of this Article, notify the Sublicensee of such delay and of the probable extent thereof and shall, subject to the conditions as hereinafter provided and as soon as practicable after the removal of the cause or causes for delay, resume delivery of the delayed Supplier Software or Update.

15 TERMINATION

[***]

In the event of termination for any cause, the Sublicensee shall no longer have any right to use the Supplier Software and shall return to the Supplier all copies of the Supplier Software and any relating documentation together with an affidavit to that effect.

16 GENERAL PROVISIONS

- 16.1** This Software Sublicense is an Exhibit to the Agreement and integrally forms part thereof. As a result, any non-conflicting terms of the Agreement are deemed incorporated herein to the extent they are relevant in the context of this Software Sublicense.
- 16.2** Notwithstanding the terms of Clause 22.10 of the Agreement, in the event of any inconsistency or discrepancy between any term of this Software Sublicense and any term of the Agreement (including any Appendix or other Exhibits thereto), the terms of this Software Sublicense shall take precedence over the conflicting terms of the Agreement to the extent necessary to resolve such inconsistency or discrepancy.
- 16.3** The Sublicensee acknowledges that the Supplier Software covered under the present Sub-license Agreement is also subject to the conditions relative to each Supplier Software set forth in the corresponding Supplier Product Support Agreement. In the event of any inconsistency between the terms of this Sub-license Agreement and the terms contained in the corresponding Supplier Product Support Agreement, the latter shall prevail to the extent of such inconsistency.
- 16.4** This Software Sublicense is subject to and construed and the performance thereof shall be determined in accordance with the laws in effect in the State of New York without regard to conflict of laws principles that could result in the application of the

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

laws of any other jurisdiction. All disputes arising in connection with this Software Sublicense shall be submitted to the competent courts of New York, and the parties hereby agree to submit to the jurisdiction of those courts.

PART 3

END-USER SUBLICENSE AGREEMENT FOR ACS SUPPLIER SOFTWARE

1. DEFINITIONS

For the purposes of this end-user sublicense agreement for ACS Supplier Software (the “ **ACS Software Sublicense** ”) the following definitions shall apply:

“**Agreement**” means the Purchase Agreement of even date herewith covering the purchase and sale of the Aircraft subject thereof.

“**Aircraft**” means, individually or collectively, the Aircraft subject of the Agreement.

“**Composite Work**” means the package composed of various elements, such as database(s), software or data, and which necessitates the use of the ACS Supplier Software.

“ **Permitted Purpose**” means use of the ACS Supplier Software by the ACS Sublicensee for its own internal business needs, solely in conjunction with the Aircraft and in particular pertaining to (i) operation of the Aircraft; (ii) on ground operational support of the Aircraft; or (iii) related authorized customization of software.

“**ACS Sublicensee**” means the Buyer under the Agreement.

“**ACS Sublicensor**” means the Seller under the Agreement as authorized by the ACS Supplier to sublicense the ACS Supplier Software to the operators of Airbus aircraft.

“**ACS Supplier**” means each of the Sublicensor's suppliers owning the intellectual property rights in the corresponding ACS Supplier Software (or holding the right to authorize the Sublicensor to sublicense such ACS Supplier Software) and having granted to the Sublicensor the right to sublicense such ACS Supplier Software.

“**Airbus Contracted Suppliers Support Agreement**” shall have the meaning set forth in Clause 12.3.2.1.4 of the Agreement.

“**ACS Supplier Software**” means each of the ACS Supplier's proprietary products including Composite Work, configurations, processes, rules (together with any related documentation) as well as any modifications, enhancements or extensions thereto, as may be provided by the ACS Supplier or the ACS Sublicensor from time to time and the supply of which to the ACS Sublicensee is governed by a Airbus Contracted Suppliers Support Agreement. The ACS Supplier Software shall be supplied in machine readable code form only, for use in connection with the Aircraft or operations related to the Aircraft.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

For the avoidance of doubt, this ACS Software Sublicense does not apply to (i) any software embedded in any component, furnishing or equipment installed on the Aircraft and itself bearing a partnumber (ii) third party software not provided under a Airbus Contracted Suppliers Support Agreement, including but not limited to any standard, "off the shelf" software (Components Off The Shelf/COTS) and (iii) open source software contained in the ACS Supplier Software, if any, and it is hereby acknowledged and agreed by both parties hereto that such open source software is independently distributed on an "as is" basis under the respective license terms therefor, and that the ACS Sublicensor disclaims any liability in relation to such open source software.

"Update(s)" means any update(s) or replacement(s) to the ACS Supplier Software licensed hereunder, which the ACS Sublicensor or the ACS Supplier, at their discretion, make generally available to the ACS Sublicensee.

Sublicensor " means the Seller under the Agreement as authorized by the ACS Supplier to sublicense the ACS Supplier Software to the operators of Airbus aircraft.

" Sub-Sublicensor " means Airbus Americas Customer Services, Inc.

"User Guide" means the documentation, which may be in electronic format, designed to assist the ACS Sublicensee in using the ACS Supplier Software.

Capitalized terms used herein and not otherwise defined in this ACS Software Sublicense shall have the meaning assigned thereto in the Agreement.

2. LICENSE

In consideration of the purchase by the ACS Sublicensee of the Aircraft, the ACS Sublicensee is hereby granted [***]. Each ACS Supplier shall remain the owner of all intellectual property rights in the ACS Supplier Software. There shall be one ACS Software Sublicense granted in respect of each Aircraft purchased by the ACS Sublicensee.

3. ASSIGNMENT AND DELEGATION

3.1 Assignment

The ACS Sublicensee may, at any time, assign or otherwise transfer all or part of its rights under this ACS Software Sublicense only as part of, and to the extent of, a sale, transfer or lease of any or all of the Aircraft to which the ACS Supplier Software are related provided that the ACS Sublicensee causes the assignee to agree to the terms of this ACS Software Sublicense.

The ACS Sublicensee shall assign a ACS Software Sublicense for all ACS Supplier Software installed on the sold, transferred or leased Aircraft and shall retain all other ACS Software Sublicenses attached to any Aircraft that the ACS Sublicensee continues to operate.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

In the event of any such assignment or transfer, the ACS Sublicensee shall transfer the copies of the ACS Supplier Software attached to the sold, transferred or leased Aircraft (including all component parts, media, any upgrades or backup copies, this ACS Software Sublicense, and if applicable, certificate(s) of authenticity), except as otherwise instructed by the Sublicensor or ACS Sublicensor.

3.2 Delegation

Without prejudice to Article 10 hereof, in the event of the ACS Sublicensee intending to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a “ **Third Party** ”), the ACS Sublicensee shall notify the ACS Sublicensor of such intention prior to any disclosure of this ACS Software Sublicense and/or the ACS Supplier Software to such Third Party.

The ACS Sublicensee hereby undertakes to cause such Third Party to enter into appropriate licensing conditions with the corresponding ACS Supplier and to commit to use the ACS Supplier Software solely for the purpose of maintaining the ACS Sublicensee's Aircraft and/or processing the ACS Sublicensee's data.

4. COPIES

Use of the ACS Supplier Software is limited to the number of copies delivered by the ACS Sublicensor or the Sub-Sublicensor to the ACS Sublicensee and to the medium on which the ACS Supplier Software is delivered. No reproduction shall be made without the written consent of the Sublicensor or the ACS Sublicensor, except that the ACS Sublicensee is authorized to copy the ACS Supplier Software for back-up and archiving purposes. Any copy the ACS Sublicensor or the Sub-Sublicensor authorizes the ACS Sublicensee to make shall be performed under the sole responsibility of the ACS Sublicensee. The ACS Sublicensee agrees to reproduce the copyright and other notices as they appear on or within the original media on any copies that the ACS Sublicensee makes of the ACS Supplier Software.

5. TERM

Subject to the ACS Sublicensee having complied with the terms of this ACS Software Sublicense, the rights under this ACS Software Sublicense shall be granted from the date of Delivery of each Aircraft until the earlier of (i) the Aircraft ceasing to be operated, in which case the license rights pertaining to such Aircraft shall be deemed terminated for such Aircraft on the date of the last operation thereof by the ACS Sublicensee or any of its assignees, or (ii) the Agreement, this ACS Software Sublicense or any part thereof, being terminated for any reason whatsoever, in which case the ACS Sublicensee shall immediately cease to use the affected ACS Supplier Software upon the effective termination date.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

6. CONDITIONS OF USE

The ACS Supplier Software shall only be used for the Permitted Purpose.

The ACS Sublicensee shall be solely responsible for, and agrees to be careful in the use of, all outputs and results derived from the operation of the ACS Supplier Software and all consequences, direct and indirect, relating to the use of such output and results. The ACS Sublicensee agrees to use such outputs and results only once it has verified such outputs and results and has checked the relevance and correctness thereof, in the light of its particular needs.

The ACS Sublicensee expressly acknowledges that it will take all appropriate precautions for the use of the ACS Supplier Software, including without limitation measures required for its compliance with the User Guide or any information or directive regarding the use of the ACS Supplier Software.

Under the present ACS Software Sublicense, the ACS Sublicensee shall:

- a) not permit any parent, subsidiary, affiliate, agent or other third party to use the ACS Supplier Software in any manner, including, but not limited to, any outsourcing, loan, commercialization of the ACS Supplier Software or commercialization by merging the ACS Supplier Software into another software or adapting the ACS Supplier Software, without the prior written consent from the ACS Supplier;
- b) do its utmost to maintain the ACS Supplier Software and the relating documentation in good working condition, in order to ensure the correct operation thereof;
- c) use the ACS Supplier Software in accordance with such documentation and the User Guide, and ensure that the personnel using the ACS Supplier Software has received appropriate training;
- d) use the ACS Supplier Software exclusively in the technical environment defined in the applicable User Guide, except as otherwise agreed in writing between the parties;
- e) except as permitted by applicable law, not alter, reverse engineer, modify, correct, translate, disassemble, decompile or adapt the ACS Supplier Software, nor integrate all or part of the ACS Supplier Software in any manner whatsoever into another software product; nor create a software product derived from the ACS Supplier Software save with the ACS Supplier's prior written approval;
- f) should the ACS Sublicensor or the ACS Supplier have elected to provide the source code to the ACS Sublicensee, have the right to study and test the ACS Supplier Software, under conditions to be expressly specified by the ACS Sublicensor, but in no event shall the ACS Sublicensee have the right to correct, modify or translate the ACS Supplier Software;
- g) not attempt to discover or re-write the ACS Supplier Software source codes in any manner whatsoever;

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- h) not delete any identification or declaration relative to the intellectual property rights, trademarks or any other information related to ownership or intellectual property rights in the ACS Supplier Software;
- i) not pledge, sell, distribute, grant, sublicense, lease, lend, whether on a free-of-charge basis or against payment, or permit access on a time-sharing basis or any other utilization of the ACS Supplier Software, whether in whole or in part, for the benefit of a third party;

7. TRAINING

In addition to the User Guide provided with the ACS Supplier Software, training and other assistance shall be provided upon the ACS Sublicensee's request, subject to conditions set forth in the Agreement. Such assistance or training shall not operate to relieve the ACS Sublicensee of its sole responsibility with respect to the use of the ACS Supplier Software under this ACS Software Sublicense.

8. PROPRIETARY RIGHTS - RIGHT TO CORRECT AND MODIFY

8.1 The ACS Supplier Software is proprietary to the ACS Supplier and the ACS Sublicensor represents and warrants that it has been granted the intellectual property rights necessary to grant this ACS Software Sublicense. The copyright and all other proprietary rights in the ACS Supplier Software are and shall remain the property of the ACS Supplier.

8.2 The ACS Supplier may correct or modify its ACS Supplier Software from time to time at its sole discretion and the ACS Sublicensee shall not undertake any correction or modification of the ACS Supplier Software without the Sublicensor's or the ACS Sublicensor's prior written approval. The ACS Sublicensee shall install any Updates provided either by the ACS Supplier or the ACS Sublicensor in accordance with the time schedule notified with the provision of such Update(s). In the event of the ACS Sublicensee failing to install any such Update(s), both the ACS Sublicensor and the ACS Supplier shall be relieved of any warranty or liability of any kind with respect to the conformity or operation of the ACS Supplier Software.

9. COPYRIGHT INDEMNITY

The ACS Sublicensee hereby accepts the transfer to its benefit of all transferable and enforceable copyright indemnity conditions related to the corresponding ACS Supplier Software and contained in the applicable Airbus Contracted Suppliers Support Agreements.

10. CONFIDENTIALITY

The ACS Supplier Software, this ACS Software Sub-license and their contents are designated as confidential. The ACS Sublicensee undertakes not to disclose the ACS Software Sublicense, the ACS Supplier Software or any parts thereof to any third party

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

without the prior written consent of the ACS Sublicensor, except to the lessee in case of lease of an Aircraft or to the buyer in case of resale of the Aircraft, without prejudice to any provisions set forth in the Agreement. In so far as it is necessary to disclose aspects of the ACS Supplier Software to the ACS Sublicensee's employees, such disclosure is permitted solely for the purpose for which the ACS Supplier Software is supplied and only to those employees who need to know the same, save as permitted herein or where otherwise required pursuant to an enforceable court order or any governmental decision or regulatory provision imposed on the ACS Sublicensee, provided that reasonable prior notice of the intended disclosure is provided to the ACS Sublicensor.

The obligations of the ACS Sublicensee to maintain confidentiality shall survive the termination of this ACS Software Sublicense for a period of ten (10) years.

11. ACCEPTANCE

ACS Supplier Software shall be deemed accepted as part of the Technical Acceptance Process set out in Clause 8 of the Agreement.

12. WARRANTY

The ACS Sublicensee hereby accepts the transfer to its benefit of all transferable and enforceable warranties related to the corresponding ACS Supplier Software and contained in the applicable Airbus Contracted Suppliers Support Agreements.

As a result, the ACS Sublicensee acknowledges that the transferable and enforceable warranties, obligations and liabilities contained in the Airbus Contracted Suppliers support Agreements shall constitute the sole and exclusive remedy available in the event of any defect or non-conformity of the ACS Supplier Software.

Neither the ACS Supplier nor the ACS Sublicensor or the Sub-Licensor shall have any liability for data that is entered into the ACS Supplier Software by the ACS Sublicensee and/or used for computation purposes.

13. LIABILITY AND INDEMNITY

The ACS Supplier Software is supplied under the express condition that neither the ACS Supplier nor the ACS Sublicensor shall have any liability in contract or in tort arising from or in connection with the use and/or possession by the ACS Sublicensee of the ACS Supplier Software and that the ACS Sublicensee shall indemnify and hold the ACS Sublicensor and the ACS Supplier harmless from and against any liabilities and claims from third parties arising from such use and/or possession.

14. EXCUSABLE DELAYS

- 14.1** None of the ACS Sublicensor, the Sub-Sublicensor or the ACS Supplier(s) shall be responsible nor be deemed to be in default on account of delays in delivery of any ACS

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Supplier Software or Updates due to causes reasonably beyond the Sublicensor's, the ACS Sublicensor's or its suppliers' or subcontractors' (including the ACS Supplier) control including but not limited to: natural disasters, fires, floods, explosions or earthquakes, epidemics or quarantine restrictions, serious accidents, total or constructive total loss, any act of the government of the country of the ACS Sublicensee or the governments of the countries of ACS Sublicensor, the Sub-Sublicensor or its subcontractors or its suppliers (including the ACS Supplier), war, insurrections or riots, failure of transportation, communications or services, strikes or labor troubles causing cessation, slow down or interruption of services, inability after due and timely diligence to procure materials, accessories, equipment or parts, failure of a subcontractor or supplier (including the ACS Supplier) to furnish materials, accessories, equipment or parts due to causes reasonably beyond such subcontractor's or supplier's (including the ACS Supplier) control or failure of the ACS Sublicensee or the ACS Supplier to comply with its obligations arising out of the present ACS Software Sublicense.

- 14.2** The Sublicensor or the ACS Sublicensor shall, and/or shall cause the ACS Supplier to, as soon as practicable after becoming aware of any delay falling within the provisions of this Article, notify the ACS Sublicensee of such delay and of the probable extent thereof and shall, subject to the conditions as hereinafter provided and as soon as practicable after the removal of the cause or causes for delay, resume delivery of the delayed ACS Supplier Software or Update.

15. TERMINATION

[***]

In the event of termination for any cause, the ACS Sublicensee shall no longer have any right to use the ACS Supplier Software and shall return to the ACS Supplier all copies of the ACS Supplier Software and any relating documentation together with an affidavit to that effect.

16. GENERAL PROVISIONS

- 16.1** This ACS Software Sublicense is an Exhibit to the Agreement and integrally forms part thereof. As a result, any non-conflicting terms of the Agreement are deemed incorporated herein to the extent they are relevant in the context of this ACS Software Sublicense.
- 16.2** In the event of any inconsistency or discrepancy between any term of this ACS Software Sublicense and any term of the Agreement (including any Appendix or other Exhibits thereto), the terms of this ACS Software Sublicense shall take precedence over the conflicting terms of the Agreement to the extent necessary to resolve such inconsistency or discrepancy.
- 16.3** The ACS Sublicensee acknowledges that the ACS Supplier Software covered under the present ACS Software Sublicense is also subject to the conditions relative to each ACS Supplier Software set forth in the corresponding Airbus Contracted Suppliers Support Agreements. In the event of any inconsistency between the terms of this ACS Sublicense

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Exhibit I

Agreement and the terms contained in the corresponding Airbus Contracted Suppliers Support Agreement, the latter shall prevail to the extent of such inconsistency.

- 16.4** This Software Sublicense is subject to and construed and the performance thereof shall be determined in accordance with the laws in effect in the State of New York without regard to conflict of laws principles that could result in the application of the laws of any other jurisdiction. All disputes arising in connection with this Software Sublicense shall be submitted to the competent courts of New York, and the parties hereby agree to submit to the jurisdiction of those courts.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 1

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 1 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 CREDIT MEMORANDA

1.1 A330-900neo Aircraft

1.1.1 In respect of each A330-900neo Aircraft that is sold by the Seller and purchased by the Buyer, the Seller shall provide to the Buyer the following [***]

- (i) [***],
- (ii) [***]
- (iii) [***]
- (iv) [***]
- (v) [***]
- (vi) [***]
- (vii) [***]
- (viii) [***]

1.1.2 The A330-900neo Aircraft [***].

1.1.3 The A330-900neo Aircraft [***].

1.1.4 [***]

[***]

[***]

1.1.5 [***]

1.1.6 [***]

1.1.7 [***]

[***]

1.1.8 [***]

1.1.9 [***]

1.1.1 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

(i) [***]

(ii) [***]

[***]

1.2 A350-900 Aircraft

1.2.1 In respect of each A350-900 Aircraft that is sold by the Seller and purchased by the Buyer, the Seller shall provide to the Buyer the following [***]:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(v) [***]

(vi) [***]

(vii) [***]

(viii) [***]

1.2.2 [***]

1.2.3 [***]

1.2.4 [***]

[***]

(i) [***]

(ii) [***].

1.2.5 [***]

1.2.6 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

1.2.7 [***]

[***]

[***]

[***]

1.2.8 [***]

[***]

[***]

[***]

1.2.9 [***]

[***]

(i) [***]

(ii) [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

1.3 [***]

1.3.1 [***]

(a) [***]

(i) [***]

(ii) [***]

(b) [***]

[***]

[***]

1.3.2 [***]

(a) [***]

(i) [***]

(ii) [***]

(b) [***]

[***]

[***]

1.4 [***]

[***]

1.5 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2 [***]

2.1 [***]

(i) [***]

(ii) [***]

(iii) [***]

2.2 [***]

(i) [***]

(ii) [***]

(iii) [***]

3 **ASSIGNMENT**

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

4 **CONFIDENTIALITY**

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

5 **COUNTERPARTS**

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 2

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [***]

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 2 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 [***]

Clauses 5.2.1, 5.2.2 and 5.2.3 of the Agreement are deleted in their entirety and replaced with the following text:

[***]

[***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

2 ***

2.1.1 ***

 (i) ***

 (ii) ***

2.1.2 ***

2.1.3 ***

3 **ASSIGNMENT**

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

4 **CONFIDENTIALITY**

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

5 **COUNTERPARTS**

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 4

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: FLEXIBILITY

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement N^o. 4 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1. FLEXIBILITY

The Seller hereby grants to the Buyer the following flexibility rights (the “**Flexibility Rights**”):

1.1 A330-900neo Flexibility

1.1.1 [*]**

1.1.1.1 The Seller grants the Buyer the right to [***] (each an [***]) certain firmly ordered A330-900neo Aircraft to [***] subject to the following:

(i) [***]

(ii) [***]

(iii) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

1.1.1.2 [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

1.1.1.3 [***]

[***]

(i) [***]

(ii) [***]

1.1.2 [***] Aircraft [***]

1.1.2.1 The Seller grants the Buyer the right to [***] certain [***], subject to the following:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

1.1.2.2 [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) The Seller's obligation to comply with an A330-900neo [***] shall be subject to the provisions of Paragraph 1.3.

1.1.2.3 [***]

[***]

(i) [***]

(ii) [***]

1.2 A350-900 Flexibility

1.2.1 [***]

1.2.1.1 [***]

(i) [***]

(ii) [***]

(iii) [***]

1.2.1.2 [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

1.2.1.3 [***]

[***]

(i) [***]

(ii) [***]

[***]

1.2.2 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

1.2.2.1 The Seller grants the Buyer the right to [***] (as applicable) of certain [***], subject to the following:

- (i) [***]
- (ii) [***]
- (iii) [***]
- (iv) [***]

1.2.2.2 [***]

[***]

- (i) The Buyer shall provide written notice to the Seller [***] A350-900 [***] no later than [***] to [***]. Such notice shall include [***] of the A350-900 Aircraft the Buyer wishes to [***] in accordance with paragraph 1.2.2.1 (iii) above.
- (ii) No later than [***] after receipt of the Buyer's notice, the Seller shall respond to the Buyer in writing to communicate the [***].
- (iii) [***]
- (iv) The Seller's obligation to comply with an A350-900 [***] shall be subject to the provisions of Paragraph 1.3.

1.2.2.3 [***]

[***]

- (i) [***]
- (ii) [***]

1.3 General provisions applicable to Flexibility Rights

1.3.1 [***]

1.3.2 [***]

1.3.3 [***]

1.3.4 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2. [***]

2.1 [***]

(i) [***]

(ii) [***]

2.2 [***]

(i) [***]

(ii) [***]

3. ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

4. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

5. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 5

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 5 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1. [***]

1.1 [***]

[***]

1.2 [***]

1.2.1 [***]

[***]

[***]

1.2.2 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

1.2.3 [***]
[***]

1.3 [***]
[***]
[***]

1.4 [***]

1.4.1 [***]
[***]
[***]

1.4.2 [***]

1.4.3 [***]

2. [***]

2.1 [***]

2.1.1 Clause 2.2.3.1 of the Agreement is deleted in its entirety and is replaced with the following:
[***]

2.1.2 Sublause 2.2.4 of the Agreement is deleted in its entirety and is replaced with the following:
[***]

2.2.4.2 [***]

[***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

[***]

2.1.3 Clause 18.1.1.2 of the Agreement is deleted in its entirety and replaced by the following:

[***]

[***]

[***]

2.1.4 Clause 18.1.2 (iii) of the Agreement is deleted in its entirety and is replaced by the following:

[***]

2.2 [***]

[***]

2.3 [***]

[***]

2.4 [***]

[***]

[***]

2.4.1 [***]

3. **CLAUSE 2 - SPECIFICATION**

Subclause 2.3 of the Agreement is deleted in its entirety and replaced with Subclause 2.3 attached hereto as Appendix 4.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

4. ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

5. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

6. COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

APPENDIX 1
A330-900neo LOPA

*** CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

APPENDIX 2

***]

***]

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

APPENDIX 3

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

APPENDIX 4

2.3 Specification Amendment

The parties understand and agree that the A350-900 Specification and the A330-900neo Standard Specification may be further amended following signature of this Agreement in accordance with the terms of this Subclause 2.3.

2.3.1 Specification Change Notice

The Specification may be amended by written agreement between the parties substantially in the form set out in Exhibit B-1 (each, a “ **Specification Change Notice** ” or “ **SCN** ”). Each SCN shall set forth the particular Aircraft that would be affected by the SCN as well as, in detail, the particular changes to be made in the Specification, any materials to be deleted from the Aircraft by the Seller in connection with such SCN, and the effect, if any, of such changes on design, performance, weight, balance, Scheduled Delivery Quarter or Scheduled Delivery Month (as applicable), Buyer Furnished Equipment and price of each Aircraft affected thereby and interchangeability or replaceability of parts.

2.3.2 [***]

2.3.2.1 [***]

2.3.2.2 [***]

2.3.3 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with the Agreement (“ **Development Changes** ”), as set forth in this Subclause 2.3.3.

2.3.3.1 Manufacturer Specification Change Notices

The Specification may be amended by the Seller through a Manufacturer Specification Change Notice (“ **MSCN** ”), which shall be substantially in the form set out in Exhibit B-2 hereto, or by such other means as may be deemed appropriate, and shall set forth the particular Aircraft that are affected by the MSCN as well as, in detail, the particular changes to be made in the Specification, any materials to be deleted from the Aircraft by the Seller in connection with such MSCN, and the effect, if any, of such changes on design, performance, weight, balance, Scheduled Delivery Quarter or Scheduled Delivery Month (as applicable), Buyer Furnished Equipment and price of each Aircraft affected thereby and interchangeability or replaceability of parts.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN shall be accomplished without requiring the Buyer's consent, if the MSCN adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, [***].

For the purposes of Subclause 2.3.3.1, the term "equipment obsolescence" refers to equipment which is no longer manufactured or available commercially.

2.3.3.2 In the event of the Seller revising the Specification to incorporate Development Changes which have no adverse effect on the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification, such revision shall be performed by the Seller without the Buyer's consent. In such cases, the Buyer shall have access to the details of such changes through the relevant application in AirbusWorld.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 6A

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: A330-900NEO AIRCRAFT PERFORMANCE GUARANTEE - RR TRENT 7000 ENGINES

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A330-900neo Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 AIRCRAFT MODEL APPLICABILITY

The guarantees contained in Paragraphs 2, 3 and 4 herein of this Letter Agreement (the “**Performance Guarantees**”) are applicable to A330-900neo aircraft as defined in the standard specification document number [***] (for the purposes of this Letter Agreement, the “**Standard Specification**”) as [***]:

- (i) [***]
- (ii) [***]
- (iii) [***]

(for the purposes of this Letter Agreement, the “**Aircraft**”).

2 FLIGHT PERFORMANCE

2.1 Takeoff

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2.1.1 Takeoff Performance at [***]

When the Aircraft is operated in departure airport conditions as defined below [***]:

[***]

The FAA dry permissible Takeoff Weight shall be used for the purpose of Paragraph 2.4.3 herein.

2.2 Speed

The level flight speed at a gross weight of [***], on an ISA+10°C day, at an [***] and using not more than maximum cruise thrust, shall not be less than:

[***]

2.3 [***]

2.3.1 [***]

[***]

2.3.2 [***]

[***]

2.3.3 [***]

[***]

2.4 [***]

The guarantees set forth in Paragraphs 2.4.1, 2.4.2, 2.4.3 and 2.4.4 herein are hereinafter referred to as the “[***]”.

2.4.1 [***]

The [***] based on the A330-900neo Layout (as defined in Appendix A hereto) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

$$\begin{bmatrix} *** \\ *** \end{bmatrix}$$
[illegible]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2.4.3 ***

The *** based on the A330-900neo Layout using the conditions and operating rules defined below, shall not be less than the following guarantee value:

*** CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

$$[***]$$
$$[***]$$
$$[***]$$

$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$[***]$$
$$\begin{bmatrix} * & * & * \\ * & * & * \\ * & * & * \end{bmatrix}$$
$$\left[\begin{array}{ccc} \star & \star & \star \end{array} \right]$$
$$\begin{bmatrix} * & * & * \\ * & * & * \\ * & * & * \end{bmatrix}$$
$$\left[\begin{array}{c} \vdots \\ \vdots \\ \vdots \\ \vdots \\ \vdots \end{array} \right]$$

[...]

[...]

[...]

[...]

[***]

[]

[***]

[]

[***]

[]

[***]

[**]

[**]

[**]

The guarantees set forth in Paragraphs 2.5.1 and 2.5.2 herein are hereinafter referred to as the “[***] **Guarantees**”.

The [***], in nautical miles in still air using the conditions and operating rules defined below, shall not be less than the following guarantee value:

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[illegible]

2.5.2 **[***]**

The [***] in nautical miles in still air using the conditions and operating rules defined below, shall not be less than the following guarantee value:

$$\begin{bmatrix} *** \\ *** \end{bmatrix}$$

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[illegible]
$$[***]$$

The [***] using the conditions and operating rules defined below, shall not be more than the following guarantee value:

$$\begin{bmatrix} *** \\ *** \end{bmatrix}$$

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

2.7 **[***]**

- the [***] of the Aircraft as defined in Paragraph 1 herein ([***] according to Section [***] of the Standard Specification, subject to adjustments as defined in Paragraph 7.2 herein)

plus

- [***]

3 **[***]**

The [***] of the Aircraft as defined in Paragraph 1 herein and [***] according to Section [***] of the Standard Specification and subject to adjustments as defined in Paragraph 7.2 herein [***].

4 SOUND LEVELS

4.1 Exterior Noise - Acoustic Certification Levels

The A330-900neo powered by RR Trent 7000 engines [***] as defined in Paragraph 1 herein shall be certified in accordance with the requirements of Chapter 4 of ICAO Annex 16, Volume I, [***].

Noise data shall be obtained and evaluated in accordance with the requirements of Appendix 2 of Third Edition of ICAO Annex 16, Volume I.

4.2 Interior Noise During Flight

4.2.1 Cockpit

At a pressure altitude of [***], the guaranteed A-weighted Sound Pressure Level (SPL) and the SIL (as defined in Paragraph 5.6 herein) shall be as follows:

[***]	[***]
[***]	[***]
[***]	[***]

Noise levels shall be measured at the Captain's and First Officer's seat position at head level with normal cockpit air conditioning and ventilation in operation.

4.2.2 Cabin

At a pressure altitude of [***], the guaranteed A-weighted Sound Pressure Level (SPL) and the SIL (as defined in Paragraph 5.6 herein) shall be as follows:

[***]	[***]
[***]	[***]
[***]	[***]

Noise levels shall be measured at a height of 40 inches (1.0 m) above the passenger compartment floor on the aisle center lines in the passenger seating area.

5 GUARANTEE CONDITIONS

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- 5.1 The certification requirements for the Aircraft, except where otherwise noted, will be as stated in Section 02 of the Standard Specification.
- 5.2 For the determination of take-off performance, [***].
- 5.3 When establishing take-off [***].
- 5.4 [***]
- 5.5 The engines will be operated [***].
- 5.6 Speech Interference Level (“SIL”) is defined as the [***].
- 5.7 All guaranteed interior noise levels refer to [***].
- 5.8 Where applicable, the Performance Guarantees assume the use of an approved fuel having a density of [***].

6 GUARANTEE COMPLIANCE

- 6.1 Compliance with the Performance Guarantees shall be demonstrated [***].
- 6.2 Compliance with the take-off and certification noise levels classification elements of the guarantees set forth in Paragraph 4.1 herein will be demonstrated with [***].
- 6.3 Compliance with [***].
- 6.4 Compliance with the [***] guarantee shall be demonstrated [***].
- 6.5 Compliance with [***].
- 6.6 The Seller undertakes to furnish the Buyer [***].

7 ADJUSTMENT OF GUARANTEES

- 7.1 In the event that any change to any law, governmental regulation or requirement or interpretation thereof by any governmental agency (a “Rule Change”) is made subsequent to the date of the Agreement and such Rule Change affects the Aircraft configuration or performance, or both, that is required to obtain Type Certificate, the Performance Guarantees shall be appropriately modified to reflect the effect of any such Rule Change.
- 7.2 The Performance Guarantees may be adjusted in the event of:

- (i) any configuration change which is the subject of an SCN and is not set forth in Paragraph 1 herein, and

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- (ii) changes required to obtain the Type Certificate which require changes to the performance or weight of the Aircraft.

8 EXCLUSIVE GUARANTEES

The Performance Guarantees are exclusive to the Buyer and are provided in lieu of any and all other [***] guarantees of any nature, [***].

9 REMEDIES

9.1 In the event that any one or more of the A330neo Aircraft fails to comply with any of the Performance Guarantees, the Seller shall [***].

9.2 In the event of non-compliance with any of the guarantees set forth in [***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

9.3 In the event the Seller [***].

9.4 The Seller's maximum liability in respect of deficiency in performance of any A330-900neo Aircraft will be [***].

9.5 [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

[***]

10 ASSIGNMENT

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

11 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

12 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 6B

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: A350-900 AIRCRAFT PERFORMANCE GUARANTEE - RR TRENT XWB-84 ENGINES

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 6B (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A350-900 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 AIRCRAFT MODEL APPLICABILITY

The guarantees contained in Paragraphs 2, 3 and 4 of this Letter Agreement (the “**Performance Guarantees**”) are applicable to A350-900 aircraft as defined in the standard specification document number [***] Estimated Manufacturer’s Weight Empty (MWE) by an adjustment of [***] (for the purposes of this Letter Agreement, the “**Standard Specification**”) [***]:

- (i) [***]
- (ii) [***]

[***].

2 FLIGHT PERFORMANCE

2.1 Takeoff

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2.1.1 Takeoff Performance at [***]

When the Aircraft is operated in departure airport conditions as defined below [***]:

[***]

The FAA dry permissible Takeoff Weight shall not be less than [***].

2.1.2 Takeoff Performance at [***]

When the Aircraft is operated in departure airport conditions as defined below [***]:

[***]

The FAA dry permissible Takeoff Weight shall not be less than [***].

2.1.3 Takeoff Performance at [***]

When the Aircraft is operated in departure airport conditions as defined below [***]:

[***]

The FAA dry permissible Takeoff Weight shall not be less than [***].

2.2 Speed

The level flight speed at a gross weight of [***], on an ISA+15°C day, at an [***] and using not more than maximum cruise thrust, shall not be less than the following guarantee value:

[***]

2.3 [***]

2.3.1 [***]

[***]

2.3.2 [***]

[***]

2.3.3 [***]

[***]

2.4 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

The [***] based on the A350-900 Layout (as defined in Appendix A hereto) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

Conditions and operating rules:

[illegible]

2.4.3 **[***]**

The [***] based on the A350-900 Layout using the conditions and operating rules defined below, shall not be less than the following guarantee value:

[**] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

Conditions and operating rules:

[illegible]2.5 **[***]**

The guarantees set forth in Paragraphs 2.5.1 and 2.5.2 below are hereinafter referred to as the “[***] **Guarantees**”).

2.5.1 **[***]**

The [***], in nautical miles in still air using the conditions and operating rules defined below, shall not be less than the following guarantee value:

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

Conditions and operating rules:

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

2.5.2 [***]

The [***] in nautical miles in still air using the conditions and operating rules defined below, shall not be less than the following guarantee value:

[***]

Conditions and operating rules:

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[illegible]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[illegible]2.7 **[***]**

The $[\ast\ast\ast]$ defined as the sum of:

- the [***] of the Aircraft as defined in Paragraph 1 above ([***] according to Section [***] of the Standard Specification, subject to adjustments as defined in Paragraph 7.2)
- plus
- [***]

is the basis for the [***] guarantees of Paragraphs 2.4.1, 2.4.2, 2.4.3, 2.5.2 and 2.6 herein.

3 USABLE LOAD

The difference between:

[***]

4 SOUND LEVELS

4.1 Exterior Noise - Acoustic Certification Levels

The A350-900 powered by RR TRENT XWB-84 engines [***] as defined in Paragraph 1 herein shall be certified in accordance with the requirements of Chapter 4 of ICAO Annex 16, Volume I, with a [***].

Noise data shall be obtained and evaluated in accordance with the requirements of Appendix 2 of Third Edition of ICAO Annex 16, Volume I.

4.2 Interior Noise During Flight

4.2.1 Cockpit

At a pressure altitude of [***], the guaranteed A-weighted Sound Pressure Level (SPL) and the SIL (as defined in Paragraph 5.6 herein) shall be as follows:

[***]	[***]
[***]	[***]
[***]	[***]

Noise levels shall be measured at the Captain's and First Officer's seat position at head level with normal cockpit air conditioning and ventilation in operation.

4.2.2 Cabin

At a pressure altitude of [***]:

[***]	[***]
[***]	[***]
[***]	[***]

Noise levels shall be measured at a height of 40 inches (1.0m) above the passenger compartment floor on the aisle center lines in the passenger seating area.

5 GUARANTEE CONDITIONS

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- 5.1 The certification requirements for the Aircraft, except where otherwise noted, will be as stated in Section 02 of the Standard Specification.
- 5.2 For the determination of take-off performance, [***].
- 5.3 When establishing take-off [***].
- 5.4 Climb, cruise and descent performance associated with the guarantees contained herein will include [***].
- 5.5 The engines will be operated [***].
- 5.6 Speech Interference Level (“SIL”) is defined as [***].
- 5.7 All guaranteed interior noise levels refer to [***].
- 5.8 Where applicable, the Performance Guarantees assume the use of an approved fuel having a density of [***].

6 GUARANTEE COMPLIANCE

- 6.1 Compliance with the Performance Guarantees shall be demonstrated [***].
- 6.2 Compliance with the take-off and certification noise levels classification elements of the guarantees set forth in Paragraph 4.1 herein will be demonstrated [***].
- 6.3 Compliance [***].
- 6.4 Compliance with the [***] guarantee shall be demonstrated with [***].
- 6.5 Compliance with the [***].
- 6.6 The Seller undertakes to furnish the Buyer [***].

7 ADJUSTMENT OF GUARANTEES

- 7.1 In the event that any change to any law, governmental regulation or requirement or interpretation thereof by any governmental agency (a “Rule Change”) is made subsequent to the date of the Agreement and such Rule Change affects the Aircraft configuration or performance, or both, that is required to obtain Type Certificate, the Performance Guarantees shall be appropriately modified to reflect the effect of any such Rule Change.
- 7.2 The Performance Guarantees may be adjusted in the event of:

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- (i) any configuration change which is the subject of an SCN and is not set forth in Paragraph 1 above, and
- (ii) changes required to obtain the Type Certificate which require changes to the performance or weight of the Aircraft.

8 EXCLUSIVE GUARANTEES

The Performance Guarantees are exclusive to the Buyer and are provided in lieu of any and all other [***] guarantees of any nature, [***].

9 REMEDIES

9.1 In the event that any one or more of the A350-900 Aircraft fails to comply with any of the Performance Guarantees, the Seller shall [***].

9.2 In the event of non-compliance with any of the guarantees set forth in [***]:

(i) [***]

(ii) [***]

(iii) [***]

9.3 In the event the Seller [***].

9.4 The Seller's maximum liability in respect of deficiency in performance of any A350-900 Aircraft will be [***].

9.5 [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

[***]

10 ASSIGNMENT

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

11 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

12 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 7A

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [***]

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 7A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A330-900neo Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 DEFINITIONS

For the purposes of this Letter Agreement, the following terms shall have the following meanings:

[***]

[***]

[***]

[***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

2 ***

2.1 ***

2.2 ***

3 ***

3.1 *** .

3.2 ***

(a) ***

(b) ***

(c) ***

4 ***

4.1 ***

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

4.2 [***]

4.3 [***]

4.4 [***]

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

[***]

4.5 [***]

4.6 [***]

[***]

5 [***]

[***]

5.1 [***]

5.2 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

5.3 [***]

[***]

5.4 [***]

5.5 [***]

[***]

5.6 [***]

[***]

(a) [***]

(b) [***]

(c) [***]

[***]

5.7 [***]

5.7.1 [***]

[***]

5.7.2 [***]

5.8 [***]

5.9 [***]

[***]

[***]

[***]

[***]

5.10 [***]

[***]

5.11 [***]

 [***]
 [***]

 [***]

6 [***]

6.1 [***] .

6.2 [***]
 [***]

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

6.3 [***]

 [***]

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

6.4 [***]

 [***]

***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

6.5 ***

(a) ***

(b) ***

7 *******

(i) ***

(ii) ***

(iii) ***

8 *******

8.1 ***

8.2 ***

8.3 ***

9 *******

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

9.1 [***]

[***]

9.2 [***]

(a) [***]

(b) [***]

9.3 [***]

10 [*]**

[***]

11 [*]**

[***]

12 [*]**

12.1 [***]

12.2 [***]

13 ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

14 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

15 COUNTERPARTS

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and signed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***].

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 7B

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [***]

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 7B (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the A350-900 Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 **DEFINITIONS**

For the purposes of this Letter Agreement, the following terms shall have the following meanings:

[***]

[***]

[***]

[***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

[***]

2 [***]

2.1 [***]

[***]

2.2 [***]

3 [***]

3.1 [***]

3.2 [***]

(a) [***]

(b) [***]

(c) [***]

4 [***]

4.1 [***]

(a) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

(b) [***]

(c) [***]

(d) [***]

(e) [***]

(f) [***]

4.2 [***]

4.3 [***]

4.4 [***]

(a) [***]

(b) [***]

(c) [***]

(d) [***]

(e) [***]

[***]

4.5 [***]

4.6 [***]

[***]

5 [*]**

[***]

5.1 [***]

5.2 [***]

5.3 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

5.4 [***]

5.5 [***].

[***]

5.6 [***]

[***]

(a) [***]

(b) [***]

(c) [***]

[***]

5.7 [***]

5.7.1 [***]

[***]

5.7.2 [***]

5.8 [***]

5.9 [***]

(a) [***]

(b) [***]

(c) [***]

[***]

5.10 [***]

[***]

5.11 [***]

(a) [***]

(b) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

6 [***]

6.1 [***]

6.2 [***]
[***]

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

6.3 [***]

[***]

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

6.4 [***]

[***]

[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

6.5 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

[***]

(a) [***]

(b) [***]

7 **[***]**

[***]

(i) [***]

(ii) [***]

(iii) [***]

[***]

[***]

8 **[***]**

8.1 [***]

8.2 [***]

8.3 [***]

9 **[***]**

9.1 [***]

[***]

9.2 [***]

(a) [***]

(b) [***]

9.3 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

10 **[***]**

[***]

11 **[***]**

[***]

12 **[***]**

12.1 [***]

12.2 [***]

13 **ASSIGNMENT**

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

14 **CONFIDENTIALITY**

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

15 **COUNTERPARTS**

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and signed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 8

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: SUPPORT MATTERS

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 8 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 WARRANTIES

1.1 Warranties and Service Life Policy

1.1.1 Standard Warranty

Subclause 12.1.3 of the Agreement is deleted in its entirety and replaced with the following:

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

1.1.2 Seller Service Life Policy

Subclauses 12.2.2 and 12.2.3 of the Agreement are deleted in their entirety and replaced with the following:

“12.2.2 Periods and Seller’s Undertaking

Subject to the general conditions and limitations set forth in Subclause 12.2.4 below, the Seller agrees that if a Failure occurs in an Item within [***] to the Buyer, the Seller shall, at its own discretion, as promptly as practicable and for a price that reflects the Seller’s financial participation in the cost as hereinafter provided, either:

- (i) design and furnish to the Buyer a correction for such Item subject to a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts unless a part of an Item), or
- (ii) replace such Item.

12.2.3 Seller’s Participation in the Cost

Any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item shall be furnished to the Buyer at the Seller’s current sales price therefor, less the Seller’s financial participation, which shall be determined in accordance with the following formula:

[***]

1.1.3 [***]

[***]

1.1.4 [***]

[***]

[***]

1.1.5 [***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

[***]

2 **TECHNICAL PUBLICATIONS**

2.1 Clause 14.6 of the Agreement is deleted in its entirety and replaced with the following:

“14.6 Revision Service

[***]

Thereafter revision service shall be provided in accordance with the terms and conditions set forth in the Seller’s then current Customer Services Catalog.”

3 **[***]**

3.1 **[***]**

3.1.1 [***]

3.1.1.1 The Seller grants to the Buyer, [***].

[***]

[***]

3.1.1.2 [***]

[***]

(a) [***]

(i) [***]

(ii) [***]

(b) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

3.1.2 [***]

[***]

[***]

(A) [***]

(B)

(i) [***]

(ii) [***]

[***]

3.1.3 [***]

[***]

(i) [***]

(ii) [***]

[***]

[***]

3.2 [***]

3.2.1 [***]

3.2.1.1 [***]

[***]

[***]

3.2.1.2 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

(a) [***]

(i) [***]

(ii) [***]

(b) [***]

[***]

[***]

3.2.2 [***]

[***]

[***]

(A) [***]

(B)

(i) [***]

(ii) [***]

[***]

3.2.3 [***]

[***]

(i) [***]

(ii) [***]

[***]

[***]

4 [***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

[***]

5 ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

6 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

7 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 9

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: SELLER PARTS AND SELLER PARTS SERVICES

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A350-900 Aircraft and A330-900neo Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 9 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 DEFINITIONS AND UNDERTAKINGS

- 1.1 For [***] (the “**Term**”), the Seller shall (i) maintain, or cause to be maintained, a stock of Seller Parts (as defined below), reasonably adequate to meet the requirements of the Buyer for the Aircraft, and (ii) sell and deliver such Seller Parts (in each case, together with all necessary documentation and data) in accordance with the provisions of this Letter Agreement.
- 1.2 For the purposes of this Letter Agreement, the term “**Seller Parts**” means the Seller's proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2 DELIVERY

2.1 [***]

[***]

(i) [***]

(ii) [***]

2.2 Emergency Services

During the Term, the Seller shall maintain, or cause to be maintained, [***]. Unless otherwise agreed by the Buyer in writing, the lead-times for delivery of such qualified answer to the Buyer shall not exceed:

(i) [***]

(ii) [***]

(iii) [***]

2.3 [***]

[***]

3 PRICES

3.1 Price Condition

[***]

[***]

3.2 [***]

3.2.1 [***]

3.2.2 [***]

[***]

3.2.3 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

4 [***]

4.1 [***]

(i) [***]

(ii) [***]

4.2 [***]

5 [***]

Article 2.7 a) of Exhibit H to the Agreement is deleted in its entirety and replaced by the following:

“2.7 [***]

6 **ASSIGNMENT**

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

7 **CONFIDENTIALITY**

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

8 **COUNTERPARTS**

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 10

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: MISCELLANEOUS

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 10 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1 [***]

[***]

2 CLAUSE 0 - DEFINITIONS

2.1 Clause 0 of the Agreement is amended to delete the following defined term and replace it as follows:

“Development Changes - as defined in Subclause 2.3.3.”

2.2 Clause 0 of the Agreement is amended to add the following defined terms:

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

3 CLAUSE 3 - PRICE

Subclause 3.3 of the Agreement is deleted in its entirety and replaced with Subclause 3.3 attached hereto as Appendix 1.

4 CLAUSE 5 - PAYMENT TERMS

4.1 Subclause 5.4 of the Agreement is deleted in its entirety and replaced as follows:

“5.4 Payment of Other Amounts

5.4.1 [***]

5.4.2 Setoff/Application of Payments

[***]

4.2 Subclause 5.5 of the Agreement is deleted in its entirety and replaced as follows:

“5.5 Overdue Payments

If any payment due to the Seller is not received by the Seller on the date or dates as agreed upon between the Buyer and the Seller, the Seller shall have the right to claim from the Buyer, and the Buyer shall promptly pay to the Seller, upon receipt of such claim, interest (on the basis of a 365 day year) at a rate per annum equal to [***] , to be calculated from and including the due date of such payment to (but excluding) the date such payment is received by the Seller. The Seller’s right to receive such interest shall be in addition to any other rights of the Seller hereunder or at law.”

4.3 Subclause 5.10 of the Agreement is deleted in its entirety.

5 CLAUSE 7 - CERTIFICATION

5.1 Subclauses 7.3 and 7.4 of the Agreement are deleted in their entirety and replaced with the following:

“7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 [***]

7.3.2 The Seller shall as far as practicable, [***] , take into account the information available to it concerning any proposed law, rule or regulation or interpretation that

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the Aircraft is Ready for Delivery.

7.3.3 [***]

(i) [***]

(ii) [***]

(iii) [***]

7.3.4 [***]

7.4 Specification Changes after Certificate of Acceptance

[***]

5.2 A new Subclause 7.5 is added to the Agreement as follows:

“7.5 [***]

[***]

6 CLAUSE 8 - THE BUYER’S ACCEPTANCE

6.1 Subclause 8.1.2 of the Agreement is deleted in its entirety and replaced with the following:

[***]

6.2 Subclause 8.2 of the Agreement is deleted in its entirety and replaced with the following:

“8.2 Use of Aircraft

The Seller shall be entitled to use any Aircraft prior to its Delivery to the Buyer:

(i) [***]

(ii) [***]

(iii) [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

7 CLAUSE 9 - DELIVERY

Subclause 9.3 of the Agreement is deleted in its entirety and replaced with the following:

“9.3 Flyaway Expenses

9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft

9.3.2 [***]

8 CLAUSE 10 - EXCUSABLE DELAY

Clause 10 of the Agreement is deleted in its entirety and replaced with Clause 10 attached hereto as Appendix 2.

9 CLAUSE 11 - INEXCUSABLE DELAY

Clause 11 of the Agreement is deleted in its entirety and replaced with Clause 11 attached hereto as Appendix 3.

10 CLAUSE 20 - INDEMNIFICATION AND INSURANCE

Clause 20 of the Agreement is deleted in its entirety and replaced with Clause 20 attached hereto as Appendix 4.

11 CLAUSE 21 - TERMINATION FOR CERTAIN EVENTS

Clause 21 of the Agreement is deleted in its entirety and replaced with Clause 21 attached hereto as Appendix 5.

12 ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

13 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Subclause 22.7 of the Agreement.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

14 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

3.3 Taxes, Duties, and Imposts

3.3.1 The Seller shall bear and pay the amount of [***]

3.3.2 The Buyer shall bear and pay the amount of [***]

3.3.3 The Seller shall [***]

3.3.4 It is expressly understood and agreed that [***]

3.3.5 It is expressly understood and agreed that [***]

3.3.6 [***]

3.3.7 [***]

3.3.8 [***]

3.3.9 [***]

3.3.10 [***]

3.3.11 Taxes and Disputes

[***]

[***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

10 EXCUSABLE DELAY**10.1 Scope**

The Seller shall not be responsible for or be deemed to be in default on account of delays in Delivery or failure to deliver or otherwise in the performance of the Agreement or any part hereof [***]

[***]

[***]

10.2 Unanticipated Delay

In the event that the Delivery of any Aircraft is delayed by reason of an Excusable Delay for a period of more than [***]

10.3 Anticipated Delay

In respect of any Aircraft, the Seller may [***]

10.4 Delivery Date

[***]

10.5 Lost, Destroyed or Damaged Aircraft

In the event that prior to Delivery any Aircraft is lost, destroyed or damaged beyond economic repair, the Seller shall notify the Buyer in writing within [***] after such event. Such notice shall specify the earliest date, consistent with the Seller's other contractual commitments and production capabilities, by which the Seller would be able to deliver a replacement for such Aircraft. [***] In the event of termination of the Agreement as to a particular Aircraft as a result of such loss, destruction or damage the obligations and liabilities of the parties hereunder with respect to such Aircraft shall be discharged. [***]

10.6 [*]****10.7 REMEDIES**

THIS CLAUSE 10 AND CERTAIN RELATED PROVISIONS ELSEWHERE IN THIS AGREEMENT SET FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR EXCUSABLE DELAYS IN DELIVERY OR FAILURE TO DELIVER, AND THE BUYER HEREBY WAIVES ALL RIGHTS, INCLUDING WITHOUT LIMITATION ANY

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

RIGHTS TO DAMAGES OR SPECIFIC PERFORMANCE, TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF. THE BUYER SHALL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 10 TO THE EXTENT THE DELAY REFERRED TO IN THIS CLAUSE 10 IS CAUSED SOLELY BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

10.8 [***]

[***]

(i) [***]

(ii) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

11 INEXCUSABLE DELAY

11.1 [***]

11.1.1 [***]

Should an A330-900neo Aircraft not be Ready for Delivery within [***] (the ” **Delivery Period** ”) and such delay is not a result of an Excusable Delay or Total Loss (an “ **Inexcusable Delay** ”), [***].

11.1.2 [***]

Should an A350-900 Aircraft not be Ready for Delivery within [***] and such delay is the result of an Inexcusable Delay, [***].

11.2 [***]

11.2.1 [***]

11.2.2 [***]

11.2.3 [***]

11.2.4 [***]

11.3 [***]

[***]

11.4 [***]

11.4.1 [***]

11.4.2 [***]

11.4.3 [***]

11.5 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

11.6 REMEDIES

THIS CLAUSE 11 AND CERTAIN RELATED PROVISIONS ELSEWHERE IN THIS AGREEMENT SET FORTH THE SOLE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 10, AND THE BUYER HEREBY WAIVES ALL RIGHTS, INCLUDING WITHOUT LIMITATION ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE, TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF. THE BUYER SHALL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 11 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 11 IS CAUSED SOLELY BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

11.7 [***]

11.8 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

20 INDEMNIFICATION AND INSURANCE

20.1 [***]

20.2 [***]

(A) [***]

(B) [***]

20.3 [***]

(A) [***]

(B) [***]

20.4 [***] Upon receipt of such notice, the Indemnitor (unless otherwise agreed by the Indemnified Party and the Indemnitor) shall assume and conduct the defense, or settlement, of such claim or suit. [***] Notice of the claim or suit shall be accompanied by all information pertinent to the matter as is reasonably available to the Indemnified Party and shall be followed by such cooperation by the Indemnified Party as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

If the Indemnitor fails or refuses to assume the defense of any claim or suit notified to it under this Clause 20, the Indemnified Party shall, [***]

20.5 Insurance

[***]

(A) [***]

(B) [***]

[***]

(i) [***]

(ii) [***]

(iii) [***]

21 TERMINATION FOR CERTAIN EVENTS

21.1 Any of the following shall be considered a material breach of, [***] (“ **Material Breach** ”):

- (1) [***], the Buyer or any [***] shall commence any case, proceeding or other action with respect to [***] the Buyer in any jurisdiction relating to bankruptcy, insolvency, reorganization or relief from debtors or seeking a reorganization, arrangement, winding-up, liquidation, dissolution or other relief with respect to its debts and such case, proceeding or action is not dismissed [***].
- (2) An action is commenced seeking the appointment of a receiver, trustee, custodian or other similar official for [***] the Buyer for all or substantially all of its assets and such action is not stayed or dismissed [***] or the Buyer makes a general assignment for the benefit of its creditors.
- (3) An action is commenced against [***] or the Buyer seeking [***].
- (4) [***]
- (5) [***]
- (6) The Buyer fails to make any [***] Payment required to be made pursuant to the Agreement when such payment comes due or fails to make payment [***] required to be made pursuant to Subclause 5.3 of the Agreement.
- (7) [***]
- (8) [***]
- (9) [***]
- (10) [***]
- (11) [***]

21.2 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 11A

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [***]

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 11A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1. [***]

[***]

[***]

[***]

[***]

[***]

2. [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

2.1 [***]

2.2 [***]

2.3 [***]

[***]

2.4 [***]

2.5 [***]

[***]

3. [***]

[***]

4. [***]

[***]

5. [***]

[***]

6. ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

7. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

8. COUNTERPARTS

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy
Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper
Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 11B

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 11A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1. [***]

[***]

[***]

[***]

[***]

[***]

2. [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

2.1 [***]

2.2 [***]

2.3 [***]

[***]

2.4 [***].

2.5 [***]

[***]

3. [***]

[***]

4. [***]

[***]

5. [***]

[***]

6. ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

7. CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

8. COUNTERPARTS

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A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President
Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 13A

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 13A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

0 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

- (i) [***]
- (ii) [***]
- (iii) [***]
- (iv) [***]

4 [*]**

- 4.1 [***]
- 4.2 [***]
- 4.3 [***]
- 4.4 [***]

5 [*]**

[***]

- a) [***]
- b) [***]

[***]

6 [*]**

- 6.1 [***]
- [***]

- a) [***]
- b) [***]

- 6.2 [***]
- 6.2.1 [***]
- [***]
- [***]
- [***]

- 6.2.2 [***]
- [***]

[***]

6.2.3 [***]

6.3 [***]

7 [***]

[***]

7.1 [***]

7.2 [***]

7.3 [***]

7.4 [***]

7.5 [***]

(i) [***]

(ii) [***]

8 [***]

8.1 [***]

- [***]

- [***]

- [***]

- [***]

- [***]

[***]

8.2 [***]

[***]

9 [***]

9.2 [***]

9.3 [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

10 [***]

[***]

11 **ASSIGNMENT**

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Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
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A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 13B

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 13A (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

$$[***]$$

[illegible]

$$[***]$$

a) **[***]**

i) **[***]**

ii) *******

b) **[***]**

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

i) [***]

ii) [***]

2.2 [***]

3 [*]**

3.1 [***]

3.2 [***]

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

4 [*]**

4.1 [***]

4.2 [***]

4.3 [***]

4.4 [***]

5 [*]**

[***]

a) [***]

b) [***]

[***]

6 [*]**

6.1 [***]

[***]

a) [***]

b) [***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

6.2 [***]

6.2.1 [***]

[***]

[***]

6.2.2 [***]

[***]

[***]

6.2.3 [***]

6.3 [***]

7 [*]**

[***]

7.1 [***]

7.2 [***]

7.3 [***]

7.4 [***]

7.5 [***]

(i) [***]

(ii) [***]

8 [*]**

8.1 [***]

[***]

[***]

8.2 [***]

[***]

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

9 **[***]**

9.2 **[***]**

9.3 **[***]**

10 **[***]**

[*]**

11 ASSIGNMENT

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12 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

13 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

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If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
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*** CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

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*** CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
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***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

LETTER AGREEMENT NO. 14

As of November 24, 2014

Delta Air Lines, Inc.
1050 Delta Boulevard
Atlanta, Georgia 30320

Re: [*]**

Dear Ladies and Gentlemen,

Delta Air Lines, Inc. (the “**Buyer**”) and Airbus S.A.S. (the “**Seller**”) have entered into an Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement of even date herewith (the “**Agreement**”) which covers, among other matters, the sale by the Seller and the purchase by the Buyer of certain Aircraft, under the terms and conditions set forth in said Agreement. The Buyer and the Seller have agreed to set forth in this Letter Agreement No. 14 (this “**Letter Agreement**”) certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement have the meanings assigned thereto in the Agreement. The terms “herein,” “hereof” and “hereunder” and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement shall constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement shall be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

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[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

2 [***]

2.1 [***]

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[***]

2.2 [***]

[***]

2.2.1 [***]

[***]

(i) [***]

(ii) [***]

[***]

2.2.2 [***]

[***]

(i) [***]

(ii) [***]

2.3 [***]

[***]

2.4 [***]

[***]

3 ASSIGNMENT

This Letter Agreement and the rights and obligations of the parties shall not be assigned or transferred in any manner without the prior written consent of the Seller and any attempted assignment or transfer in contravention of this provision shall be void and of no force or effect.

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

4 CONFIDENTIALITY

This Letter Agreement is subject to the terms and conditions of Clause 22.7 of the Agreement.

5 COUNTERPARTS

This Letter Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Such counterparts may be delivered via facsimile and/or electronic mail (provided that an original is subsequently delivered).

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO
A REQUEST FOR CONFIDENTIAL TREATMENT

If the foregoing correctly sets forth your understanding, please execute the original and one (1) copy hereof in the space provided below and return a copy to the Seller.

Very truly yours,

AIRBUS S.A.S.

/s/ John J. Leahy

By: John J. Leahy

Title: Chief Operating Officer, Customers

Accepted and Agreed

DELTA AIR LINES, INC.

/s/ Nathaniel J. Pieper

By: Nathaniel J. Pieper

Title: Vice President

Fleet Strategy & Transactions

[***] CONFIDENTIAL PORTION OMITTED AND FILED SEPARATELY WITH THE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

DELTA AIR LINES, INC.
2015 LONG-TERM INCENTIVE PROGRAM

1. Purpose. The 2015 Long-Term Incentive Program (the “**2015 LTIP**”) is a long term incentive program sponsored by Delta Air Lines, Inc. (“**Delta**” or the “**Company**”) that is intended to closely: (a) link pay and performance by providing management employees with a compensation opportunity based on Delta achieving key business objectives and (b) align the interests of management employees with the Company’s other employees and stakeholders.

The 2015 LTIP is being adopted under the Delta Air Lines, Inc. 2007 Performance Compensation Plan (“**2007 Performance Plan**”). It is subject to the terms of the 2007 Performance Plan and an individual’s 2015 LTIP Award Agreement (“**Award Agreement**”).

Capitalized terms that are used but not defined in the 2015 LTIP shall have the meaning ascribed to them in the 2007 Performance Plan. For purposes of the 2015 LTIP, the definitions of “**Good Reason**,” and “**Retirement**” as set forth in the 2007 Performance Plan are hereby replaced or modified under Section 6 below, and shall apply as set forth in Section 6 in lieu of the definitions of these terms in the 2007 Performance Plan or as modified, as applicable.

2. Plan Administration . (a) The Personnel & Compensation Committee of the Board of Directors (the “**Committee**”) shall be responsible for the general administration and interpretation of the 2015 LTIP and for carrying out its provisions. The Committee shall have such powers as may be necessary to discharge its duties hereunder, including, without limitation, the following powers and duties, but subject to the terms of the 2015 LTIP:

(i) authority to construe and interpret the terms of the 2015 LTIP, and to determine eligibility, awards and the amount, manner and time of payment of any awards hereunder;

(ii) authority to prescribe forms and procedures for purposes of the 2015 LTIP participation and distribution of awards; and

(iii) authority to adopt rules and regulations and to take such actions as it deems necessary or desirable for the proper administration of the 2015 LTIP.

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the 2015 LTIP shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

(c) Notwithstanding anything contained in the 2007 Performance Plan to the contrary, the Committee shall not have the authority to increase or decrease the actual payout of any Performance Award (as defined below) granted to any Participant pursuant to Section 4(b) hereunder.

3. Individual Award Agreements. Any person offered an Award under the 2015 LTIP will be required to sign an individual Award Agreement. Execution by such person of his or her Award Agreement will be a prerequisite to the effectiveness of the Award under the 2015 LTIP and to the person’s becoming a Participant in the 2015 LTIP. The terms and conditions of any Award Agreement, if contrary to the terms of the 2015 LTIP, shall govern the rights of the corresponding Participant.

4. Awards.

(a) Restricted Stock.

(i) Award Grant. A Participant may receive Restricted Stock as specified in the Participant's Award Agreement (the "**Restricted Stock**").

(ii) Grant Date. The Grant Date of the Restricted Stock will be determined by the Committee in accordance with the Company's Equity Award Grant Policy, as in effect from time to time, and set forth in a Participant's Award Agreement.

(iii) Restrictions. Until the restrictions imposed by this Section 4(a) (the "**Restrictions**") have lapsed pursuant to Section 4(a)(iv), (v) or (vi) below, a Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the Restricted Stock and the Restricted Stock will be subject to forfeiture as set forth below.

(iv) Lapse of Restrictions—Continued Employment. Subject to the terms of the 2007 Performance Plan and the 2015 LTIP, the Restrictions shall lapse and be of no further force or effect with respect to one-third of the Shares of Restricted Stock on each of the following dates: (A) February 1, 2016 ("**First RS Installment**"), (B) February 1, 2017 ("**Second RS Installment**") and (C) February 1, 2018 ("**Third RS Installment**").¹

(v) Lapse of Restrictions/Forfeiture upon Termination of Employment. The Restricted Stock and the Restrictions set forth in this Section 4(a) are subject to the following terms and conditions:

(A) *Without Cause or For Good Reason*. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the Pro Rata RS Portion as of the date of such Termination of Employment. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

"**Pro Rata RS Portion**" means, with respect to any portion of Restricted Stock that is subject to the Restrictions at the time of a Participant's Termination of Employment, the number of Shares with respect to which the Restrictions would have lapsed on each future RS Installment multiplied by a fraction (i) the numerator of which is the number of calendar months² from the Grant Date to the date of such Termination of Employment, rounded up

¹The number of Shares subject to each RS Installment will be equal to the total number of Shares subject to the Restricted Stock Award divided by three; *provided*, that if this formula results in any fractional Share allocation to any RS Installment, the number of Shares with respect to which the Restrictions lapse under the First RS Installment and, if necessary, the Second RS Installment, will be increased so that only full Shares are covered by each RS Installment. For example, if a Restricted Stock Award covers 1,000 Shares, the Restrictions will lapse with respect to 334 Shares under the First RS Installment and 333 Shares under each of the Second and Third RS Installments.

²For purposes of the 2015 LTIP, one calendar month is calculated from the date of measurement to the same or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2015 will elapse as of February 28, 2015, two months will elapse on March 31, 2015, and so on.

or any partial month and (ii) the denominator of which is twelve (12) for the First RS Installment, twenty-four (24) for the Second RS Installment and thirty-six (36) for the Third RS Installment.³

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(C) *Retirement.* Subject to Section 4(a)(v)(F) below, upon a Participant's Termination of Employment by reason of Retirement, with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the Pro Rata RS Portion as of the date of such Termination of Employment. Pro Rata RS Portion has the meaning set forth in Section 4(a)(v)(A) above. Upon a Participant's Termination of Employment by reason of Retirement, any Restricted Stock that remains subject to the Restrictions, other than the Pro Rata RS Portion, shall be immediately forfeited.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Restrictions shall immediately lapse and be of no further force or effect as of the date of such Termination of Employment.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2015 LTIP rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the 2015 LTIP, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(vi) *Change in Control.* Notwithstanding the forgoing and subject to Section 5 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, any Restrictions in effect shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

(vii) *Dividends.* In the event a cash dividend shall be paid with respect to Shares at a time the Restrictions on the Restricted Stock have not lapsed, the Participant shall be eligible to

³If this formula results in any fractional Share, the Pro Rata RS Portion will be rounded up to the nearest whole Share.

receive the dividend upon the lapse of the Restrictions. The Restrictions shall apply to any such dividend.

(b) Performance Awards.

(i) Award Grant. A Participant may receive a Performance Award for a specified target cash amount as set forth in the Participant's Award Agreement (a "**Performance Award**").

(ii) Grant Date. The Grant Date of the Performance Award will be determined by the Committee and set forth in the Participant's Award Agreement.

(iii) Payout Criteria and Form of Payment. Except as otherwise expressly set forth in this Section 4(b), payment, if any, of a Performance Award will be based on the following factors as described and defined below: (A) the Average Annual Operating Income Margin during the Performance Period of the Company relative to the Composite Performance of the members of the Industry Composite Group; (B) Customer Service Performance during the Performance Period of the Company; and (C) Return on Invested Capital for each calendar year during the Performance Period of the Company.

The payout, if any, of a Performance Award will be made (A) in Shares, calculated based on the Conversion Formula (as defined below), to each Participant who is employed by the Company as an executive vice president or more senior officer ("**Executive Officer Participant**") at the time of such payout and (B) in cash in all other circumstances.

(iv) Definitions.

(A) *In General*.

(1) "**Composite Performance**" means, for purposes of determining the total Average Annual Operating Income Margin of the Industry Composite Group, the result obtained by treating the members of the Industry Composite Group as if they were one combined entity.

(2) The "**Conversion Formula**" will apply to convert from cash to Shares the payout, if any, of a Performance Award to a person who is an Executive Officer Participant at the time of such payout. First, the cash amount of the payout is calculated in the same manner as if the payout is being made in cash. Next, the cash amount is converted into a number of Shares based on the following formula: $A \div B$, where:

A = the amount of the payout for the Performance Award if it is paid in cash; and

B = the closing price of a Share on the New York Stock Exchange on the later of (1) the date that the Committee approves the payouts, if any, of the Performance Awards to the Executive Officer Participants following the Committee's determination of the achievement of the payout criteria described in Section 4(b)(iii) and (2) the third business day following the date on which the Company publicly announces its annual financial results

if this date is scheduled in the same month that the Committee approves such payouts, if any.

- (3) “ **GAAP** ” means accounting principles generally accepted in the United States of America.
- (4) “ **Industry Composite Group** ” means Alaska Air Group, Inc., American Airlines Group, Inc., JetBlue Airways Corporation, Southwest Airlines Co., and United Continental Holdings, Inc.
- (5) “ **Performance Period** ” means the period beginning on January 1, 2015 and ending on and including December 31, 2017.

(B) *Average Annual Operating Income Margin* .

- (1) The “ **Average Annual Operating Income Margin** ” for Delta and each member of the Industry Composite Group shall be calculated by using the subject company’s Operating Income and Total Operating Revenue for the applicable periods and the following formula: $(A \div B)$, where:

A = Operating Income for 2015, 2016, and 2017; and

B = Total Operating Revenue for 2015, 2016, and 2017.

- (2) “ **Operating Income** ” means, subject to Section 4(b)(v)(B) below, the subject company’s consolidated operating income for the applicable periods based on its statements of operations contained in reports on Forms 10-Q and 10-K filed with the Securities and Exchange Commission (“ **SEC** ”) prepared in accordance with GAAP, but excluding: (i) items presented in the line item “restructuring and other items” or such similar line item; (ii) mark-to-market adjustments for fuel hedges recorded in periods other than the settlement period; (iii) other special, unusual, or nonrecurring items which are disclosed in publicly available filings with the SEC; and (iv) expenses with respect to any annual broad-based employee profit sharing plan, program or similar arrangement.
- (3) “ **Total Operating Revenue** ” means, subject to Section 4(b)(v)(B) below, the subject company’s total operating revenue for the applicable periods based on its regularly prepared and publicly available statements of operations prepared in accordance with GAAP; *provided* , with respect to Delta, Total Operating Revenue shall exclude the portion of revenue associated with refinery sales to third parties net of exchange.

(C) *Customer Service Performance* .

- (1) The “ **Customer Service Performance** ” for Delta shall be measured based on the percentage point improvement in Delta’s average monthly Net Promoter Score (“ **NPS** ”) from the 2014 calendar year to the average monthly NPS over the Performance Period, with (A) Delta’s NPS performance attributable to domestic travel accounting for 60% of the

measure and (ii) Delta's NPS performance attributable to international travel accounting for 40% of the measure. The criteria and methodology used to determine Delta's NPS is described in a document titled, "'Net Promoter': Measuring Customer Satisfaction at Delta," which was previously reviewed by the Committee. Company management will periodically report to the Company's Board of Directors regarding Delta's NPS.

(D) *Return on Invested Capital.*

- (1) The "**Return on Invested Capital**" for Delta shall be calculated by using Delta's Adjusted Total Operating Income and Average Invested Capital for each individual calendar year during the Performance Period (2015, 2016, and 2017) and the following formula (A / B), where:

A = Adjusted Total Operating Income; and

B = Average Invested Capital.

- (2) "**Adjusted Total Operating Income**" means, subject to Section 4(b)(v)(B) below, Delta's consolidated operating income for the applicable periods based on its regularly prepared and publicly available statements of operations prepared in accordance with GAAP, but excluding, (i) items present in the line item "restructuring and other items" or such similar line item; (ii) mark-to-market adjustments for fuel hedges recorded in periods other than the settlement period; (iii) other special, unusual, or nonrecurring items which are disclosed in publicly available filings with the SEC; and (iv) implied interest in aircraft rent expense, and amortized pension expense related to gains/losses that impact accumulated other comprehensive income ("**AOCI**").

- (3) "**Average Invested Capital**" means, subject to Section 4(b)(v)(B) below, Delta's total invested capital determined based on the average of a trailing five calendar quarters measured from the last calendar quarter preceding each calendar year of the Performance Period,⁴ using the following formula, (A+B), where:

A = Adjusted Book Value of Equity; and

B = Adjusted Net Debt.

- (4) "**Adjusted Book Value of Equity**" for Delta shall be calculated quarterly based on its regularly prepared internal financial statements (i) with an initial starting value for the quarter ending December 31, 2014 (the "**Initial Value**") equal to the book value of equity determined in accordance with GAAP as of December 31, 2014, but excluding the impact of gains or losses

⁴ For example, for determining Average Invested Capital for the 2015 calendar year, the trailing five calendar quarter average will be measured based on the quarter ending December 31, 2014 and each of the subsequent four quarters of 2015.

as of December 31, 2014 associated with (1) the cumulative pension and other post-employment retirement benefits net balance recorded in AOCI; (2) the derivative contracts and associated items net balance recorded in AOCI; and (3) the deferred tax asset valuation allowance balance and (ii) using the following formula for each subsequent quarter thereafter, $(A+B+C)$, where:

A = The Initial Value;

B = The cumulative amount starting as of January 1, 2015 and ending as of the last day of the applicable calendar quarter of the Company's pre-tax income determined in accordance with GAAP, but (i) excluding: (1) items present in the line item "restructuring and other items" or such similar line item; (2) mark-to-market adjustments for fuel hedges recorded in periods other than the settlement period; and (3) other special, unusual, or nonrecurring items which are disclosed in publicly available filings with the SEC and (ii) including expenses due to amortization of post-employment benefit losses in AOCI that have occurred during the Performance Period; and

C = in the event that the Company pays a dividend or issues or repurchases additional Common Stock for cash during the Performance Period (but excluding the exercise of any employee stock option for cash or any other issuance of Common Stock to employees), (i) the gross cash proceeds of the equity issuance or (ii) the gross cash payments for the equity repurchase or dividends, before adjustment for any applicable fees or charges associated therewith.

- (5) **"Adjusted Net Debt"** for Delta shall be calculated quarterly based on its regularly prepared internal financial statements using the following formula $(A+B-C)$, subject to Section 4(b)(v)(B), where:

A = Total gross long term debt and capital leases (including current maturities) that reflect Delta's actual obligations to lenders or lessors, including any adjustments from the book value to reflect premiums or discounts that may be amortizing;

B = Annual aircraft rent expense multiplied by seven; and

C = Unrestricted cash, cash equivalents and short-term investments.

(v) Vesting.

(A) *General*. Subject to the terms of the 2007 Performance Plan, the 2015 LTIP, and all other conditions included in any applicable Award Agreement, the Performance Award shall vest, as described in this Section 4(b)(v), as of the end of the Performance Period to the extent that the Company's actual performance results meet or exceed Threshold level with respect to Average Annual Operating Income Margin, Customer Service Performance and/or Return on Invested Capital, as applicable and as described below. For purposes of Average Annual Operating Income Margin, the Company's performance is compared against the Composite Performance of the Industry Composite Group.

(B) *Committee's Authority*. In determining the Average Annual Operating Income Margin for Delta and each member of the Industry Composite Group and the Return on Invested Capital for Delta, the Committee shall make such adjustments with respect to any subject company as is necessary to ensure the results are comparable, including, without limitation, differences in accounting policies, practices, guidelines, reclassifications or restatements (for example, fuel hedging, purchase accounting adjustments associated with mergers, acquisitions or divestitures, or fresh start accounting as a result of emergence from bankruptcy). Without limiting the generality of the forgoing, the Committee shall (i) make such determinations based on financial data filed by the subject company with the U.S. Department of Transportation or otherwise and (ii) exclude from any calculation any item of gain, loss, or expense to be extraordinary or unusual in nature or infrequent in occurrence.

(C) *Impact of Certain Events*. A company shall be automatically removed from the Industry Composite Group in the event that any of the following occur during or with respect to the Performance Period: (i) such company ceases to maintain or does not timely prepare publicly available statements of operations prepared in accordance with GAAP; (ii) such company is not the surviving entity in any merger, consolidation, or other non-bankruptcy reorganization (or survives only as a subsidiary of an entity other than a previously wholly owned subsidiary of such company); (iii) such company sells, leases, or exchanges all or substantially all of its assets to any other person or entity (other than a previously wholly owned subsidiary of such company); (iv) such company is dissolved and liquidated; or (v) more than 20% of such company's revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of such company prepared in accordance with GAAP) for any fiscal year of such company are attributable to the operation of businesses other than such company's airline business and such company does not provide publicly available statements of operations with respect to its airline business that are separate from the statements of operations provided with respect to its other businesses.

(D) *Transactions Between Airlines*. To the extent reasonably practicable, in the event of a merger, consolidation, or similar transaction during the Performance Period between Delta and any other airline, including a member of the Industry Composite Group, or between any member of the Industry Composite Group and any other airline, including another member of the Industry Composite Group (an "**Airline Merger**"), Average Annual Operating Income Margin for any such company involved in an Airline Merger will be calculated on a combined basis as if the Airline Merger had occurred on January 1, 2015, removing the effects of purchase accounting-related adjustments. Furthermore, to the extent reasonably practicable, in the event of an acquisition or divestiture, or similar transaction

during the Performance Period between Delta and any regional carrier or between any member of the Industry Composite Group and any regional carrier (a “ **Regional Carrier Transaction** ”), Average Annual Operating Income Margin and, as applicable, Return on Invested Capital for any such company involved in a Regional Carrier Transaction will be calculated to remove the impact of any reclassifications of costs from (or to) such company’s presentation of contract carrier expense to (or from) the other expense line items on the statement of operations (determined based on the regularly prepared and publicly available statements of operations of such company prepared in accordance with GAAP).

(E) *Vesting/Performance Measures—Excluding Return on Invested Capital.* The payment, if any, a Participant will receive in connection with the vesting of the portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will be based on the following:

Average Annual Operating Income Margin			+	Customer Service Performance--Domestic			+	Customer Service Performance--International		
Performance Measure		% of Target Earned x Weight		Performance Measure		% of Target Earned x Weight		Performance Measure		% of Target Earned x Weight
Maximum	20.0% above Composite Performance	200% x 50%		Maximum	+4.2% points or higher	200% x 15%		Maximum	+7.5% points or higher	200% x 10%
Target	Composite Performance	100% x 50%		Target	+2.5% points	100% x 15%		Target	+3.5% points	100% x 10%
Threshold	20.0% below Composite Performance	50% x 50%		Threshold	+0% points	50% x 15%		Threshold	+2.0% points	50% x 10%

Any portion of a Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance that does not vest at the end of the Performance Period will immediately lapse and become void. Payouts based on the above performance measures will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum.

(F) *Vesting/Performance Measures—Return on Invested Capital.* The payment, if any, a Participant will receive in connection with the vesting of the portion of the Performance Award attributable to Return on Invested Capital will be based on the following:

Return on Invested Capital 2015			+	Return on Invested Capital 2015			+	Return on Invested Capital 2016		
Performance Measure		% of Target Earned x Weight		Performance Measure		% of Target Earned x Weight		Performance Measure		% of Target Earned x Weight
Maximum	16.0% or higher	200% x 8.333%		Maximum	16.0% or higher	200% x 8.333%		Maximum	16.0% or higher	200% x 8.334%
Target	14.0%	100% x 8.333%		Target	14.0%	100% x 8.333%		Target	14.0%	100% x 8.334%
Threshold	12.0%	50% x 8.333%		Threshold	12.0%	50% x 8.333%		Threshold	12.0%	50% x 8.334%

The Company's Return on Invested Capital performance will be measured each calendar year during the Performance Period (each calendar year increment is referred to herein as an "**ROIC Installment** ") and to the extent that the Company's actual performance results meet or exceed Threshold level at the end of each calendar year during the Performance Period, each such ROIC Installment will be treated as an "**Earned Award** ." A Participant's Earned Award(s), if any, will accumulate until the end of the Performance Period at which time all Earned Awards will vest.

Any ROIC Installment that does not vest at the end of the Performance Period will immediately lapse and become void. Payouts based on the above performance measures will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum.

(vi) Timing of Payment . The payout, if any, of any Performance Award that vests under Section 4(b)(v) will be made as soon after the end of the Performance Period as the payment amount can be finally determined, but in no event later than March 15, 2017, unless it is administratively impracticable to do so, and such impracticability was not foreseeable at the end of 2016, in which case such payment shall be made as soon as administratively practicable after March 15, 2017.

(vii) Accelerated Vesting/Forfeiture upon Termination of Employment—Excluding Return on Invested Capital . The portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance is subject to the following terms and conditions.

(A) *Without Cause or For Good Reason*. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), the portion of the Participant's target Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will be recalculated and will be the result of the following formula (the "**Adjusted Performance Award** "): $S \times (T \div 36)$ where,

S = the portion of the Participant's target Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance as of the Grant Date; and

T = the number of calendar months from January 1, 2015 to the date of such Termination of Employment (rounded up for any partial month).

Thereafter, the Participant will be eligible to receive a payment, if any, in cash based on the Adjusted Performance Award which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) prior to the end of the workday on December 31, 2017, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance as of the date of such Termination of Employment. In the event a Participant incurs a Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) on or after January 1, 2018, the Participant will remain eligible for any unpaid Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance, which award will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(C) *Retirement.* Subject to Section 4(b)(vii)(F) below, upon a Participant's Termination of Employment due to Retirement, the portion of the Participant's target Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will be recalculated in accordance with the formula set forth in Section 4(b)(vii)(A) above. Thereafter, the Participant will be eligible to receive a payment, if any, in cash based on the Adjusted Performance Award which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the portion of the Participant's Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance as of the date of such Termination of Employment.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2015 LTIP rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have

been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the 2015 LTIP, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(viii) Accelerated Vesting/Forfeiture upon Termination of Employment—Return on Invested Capital. The portion of the Performance Award attributable to Return on Invested Capital is subject to the following terms and conditions.

(A) *Without Cause or For Good Reason*. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), the Participant will be eligible to receive:

(1) payment of any Earned Awards in cash, which Earned Awards will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued; and

(2) with respect to the ROIC Installment outstanding in the calendar year of the Participant's Termination of Employment, the Participant's ROIC Installment for such year will be recalculated and will be the result of the following formula (the "**Adjusted ROIC Installment**"): $U \times (V \div 12)$ where,

U = the Participant's target Performance Award with respect to the applicable ROIC Installment, as of the Grant Date; and

V = the number of calendar months from January 1 of the calendar year in which the Termination of Employment occurred to the date of such Termination of Employment (rounded up for any partial month).

Thereafter, the Participant will be eligible to receive a payment, if any, based on the Adjusted ROIC Installment which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

Upon a participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any ROIC Installment(s) outstanding in the calendar year(s) following the year in which the Participant's Termination of Employment occurred shall be immediately forfeited as of the date of such Termination of Employment.

(B) *Voluntary Resignation*. Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) prior to the end of the workday on December 31, 2017, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Return on Invested Capital, including any Earned Awards, as of the date of such Termination of Employment. In the event a Participant incurs a Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement) on or after January 1, 2018, the Participant will remain eligible for any unpaid Performance Award attributable to Return on Invested Capital, including any Earned Awards, which award will vest and become payable under Section 4

(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

(C) *Retirement*. Subject to Section 4(b)(viii)(F) below, upon a Participant's Termination of Employment due to Retirement, the Participant will be eligible to receive:

- (1) payment of any Earned Awards in cash, which Earned Awards will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued; and
- (2) with respect to the ROIC Installment outstanding in the year of the Participant's Termination of Employment, the Participant's ROIC Installment for such year will be recalculated in accordance with the formula set forth in Section 4(b)(viii)(A) above.

Thereafter, the Participant will be eligible to receive a payment, if any, based on the Adjusted ROIC Installment which will vest and become payable under Section 4(b)(v) in the same manner and to the same extent as if the Participant's employment had continued.

Upon a participant's Termination of Employment by reason of Retirement, any ROIC Installment(s) outstanding in the calendar year(s) following the year in which the Participant's Termination of Employment occurred shall be immediately forfeited as of the date of such Termination of Employment.

(D) *Death or Disability*. Upon a Participant's Termination of Employment due to death or Disability, the Participant will be eligible to receive:

- (1) payment of any Earned Awards, which Earned Awards will immediately become vested and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable; and
- (2) with respect to any remaining ROIC Installment(s) outstanding as of the date of the Participant's Termination of Employment, the Participant's ROIC Installment(s) will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

(E) *For Cause*. Upon a Participant's Termination of Employment by the Company for Cause, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Return on Invested Capital, including any Earned Awards, as of the date of such Termination of Employment.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons*. If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the 2015 LTIP rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other

program, plan or policy of the Company, for purposes of the 2015 LTIP, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(ix) Change in Control. Notwithstanding the forgoing and subject to Section 5 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, the Participant's outstanding Performance Award shall immediately become vested at the target level (or, with respect to any Earned Award, at the level at which it was earned) and such amount will be paid in cash to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Adjusted Performance Award, Adjusted ROIC Installment and Earned Awards, if any, will immediately become vested and be paid in cash to the Participant as soon as practicable.

(c) Restricted Stock Units

(i) Award Grant. A Participant may receive Restricted Stock Units as specified in the Participant's Award Agreement (the "RSU").

(ii) Grant Date. The Grant Date of the RSUs will be determined in accordance with the Company's Equity Award Grant Policy, as in effect from time to time, and set forth in the Participant's Award Agreement.

(iii) Risk of Forfeiture. Until an RSU becomes vested, a Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the RSU and the RSU will be subject to forfeiture as set forth below.

(iv) Vesting. Subject to the terms of 2007 Performance Plan and the 2015 LTIP, the RSUs will vest with respect to one-third of the RSUs on each of the following dates: (A) February 1, 2016 ("First RSU Installment"), (B) February 1, 2017 ("Second RSU Installment") and (C) February 1, 2018 ("Third RSU Installment").⁵

As soon as practicable after any RSUs become vested, the Company shall pay to Participant in cash a lump sum amount equal to the number of RSUs vesting multiplied by the closing price of a Share of Common Stock on the New York Stock Exchange on the vesting date or, if the Common Stock was not traded on the New York Stock Exchange on the vesting date, the last date prior to the vesting date that the Common Stock was traded on the New York Stock Exchange.

(v) Accelerated Vesting; Forfeiture. The RSUs and the vesting provisions set forth in this Section 4(c) are subject to the following terms and conditions:

⁵ The number of RSUs subject to each RSU Installment will be equal to the total number of RSUs divided by three; *provided*, that if this formula results in any fractional RSU allocation to any RSU Installment, the number of RSUs in the First RSU Installment and, if necessary, the Second RSU Installment, will be increased so that only full RSUs are covered by each RSU Installment. For example, if an RSU Award covers 1,000 RSUs, the RSU will vest with respect to 334 RSUs under the First RSU Installment and 333 RSUs under each of the Second and Third RSU Installments.

(A) *Without Cause or For Good Reason.* Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), a number of RSUs equal to the Pro Rata RSU Portion will become immediately vested as of the date of such termination. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any unvested RSUs, other than the Pro Rata RSU Portion, shall be immediately forfeited.

“ **Pro Rata RSU Portion** ” means, with respect to any RSU Installment that is not vested at the time of a Participant's Termination of Employment, the number of RSUs covered by such RSU Installment multiplied by a fraction (i) the numerator of which is the number of calendar months ⁶ from the Grant Date to the date of such Termination of Employment, rounded up for any partial month and (ii) the denominator of which is twelve (12) for the First RSU Installment, twenty-four (24) for the Second RSU Installment and thirty-six (36) for the Third RSU Installment. ⁷

(B) *Voluntary Resignation.* Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement), any unvested portion of the RSUs shall be immediately forfeited.

(C) *Retirement.* Subject to Section (4)(c)(v)(F) below, upon a Participant's Termination of Employment by reason of Retirement, with respect to any RSU Installment that is not then vested, a number of RSUs equal to the Pro Rata RSU Portion will become immediately vested as of the date of such Termination of Employment. Pro Rata RSU Portion has the meaning set forth in Section 4(c)(v)(A) above. Upon a Participant's Termination of Employment by reason of Retirement, any unvested RSUs, other than the Pro Rata RSU Portion, shall be immediately forfeited.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, all unvested RSUs will immediately vest as of the date of such Termination of Employment.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, any unvested portion of the RSUs shall be immediately forfeited.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons .* If a Participant who is eligible for Retirement, is, or would be, terminated by the Company without Cause, such participant shall be considered to have been terminated by the Company without Cause for purposes of this Agreement rather than having retired, but only if the Participant acknowledges, that absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then

⁶ The For purposes of the 2015 LTIP, one calendar month is calculated from the date of measurement to the same or **closest** numerical date occurring during the following month. For example, one calendar month from January 31, 2015 will elapse as of February 28, 2015, two months will elapse on March 31, 2015, as so on.

⁷ If this formula results in any fractional RSUs, the Pro Rata RSU Portion will be rounded up to the nearest whole RSU .

regardless of whether the Participant is considered a retiree for purposes of any other program, plan or policy of the Company, for purposes of this Agreement, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(vi) Change in Control. Notwithstanding the foregoing and subject to Section 5 below, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control, but prior to the second anniversary of such Change in Control, any unvested portion of the RSUs will immediately vest as of the date of such Termination of Employment.

(d) Stock Option

(i) Award Grant. A Participant may receive a Non-Qualified Stock Option covering the number of Shares as specified in the Participant's Award Agreement (the "**Option**").

(ii) Grant Date. The Grant Date of the Option will be determined by the Committee in accordance with the Company's Equity Award Grant Policy, as in effect from time to time, and set forth in a Participant's Award Agreement.

(iii) Exercise Price. The exercise price of the Option is the closing price of a Share on the New York Stock Exchange on the Grant Date.

(iv) Exercise Period/Performance Measures. Subject to the terms of the 2007 Performance Plan and the 2015 LTIP, an Option shall:

(A) vest and become exercisable upon the achievement of either of the following two performance measures in the proportion and on the dates (each an "**Option Installment Vesting Date**") set forth below:

- (1) If there is a payout under the Company's broad-based employee profit sharing program (the "**Profit Sharing Program**") for 2015, the Option shall vest and become exercisable with respect to one-third of the Shares on each of the following dates: (I) February 1, 2016 (the "**First Option Installment**"), (II) February 1, 2017 (the "**Second Option Installment**") and (III) February 1, 2018 (the "**Third Option Installment**"); or
- (2) If there is no payout under the Profit Sharing Program for 2015, but there is a payout under the Profit Sharing Program for 2016, the Option shall vest and become exercisable with respect to (I) the First and Second Option Installments on February 1, 2017 and (II) the Third Option Installment on February 1, 2018; and

(B) be exercisable through and including the day immediately preceding the tenth anniversary of the Grant Date (the "**Expiration Date**").

In the event there is no Profit Sharing Program payout for either 2015 or 2016, the Option shall be immediately forfeited (regardless of whether there is a Profit Sharing Program payout for 2017).

(v) Change in Exercisability and Exercise Period upon Termination of Employment. The exercisability of the Option and the exercise period set forth in Section 4(d)(iv) are subject to the following terms and conditions:

(A) *Without Cause or For Good Reason*. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate), the Pro Rata Option Portion of any Option Installment that is not exercisable at the time of such Termination of Employment (1) will vest and become exercisable, if applicable, under Section 4(d)(iv) of the LTIP in the same manner and to the same extent as if the Participant's employment had continued and (2) the entire then exercisable portion of the Option, as applicable, shall be exercisable during the period: (I) beginning on the applicable Option Installment Vesting Date and (II) ending on the earlier of (x) the later of (i) the third anniversary of such Termination of Employment or (ii) the applicable Option Installment Vesting Date or (y) the Expiration Date. Upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason, any portion of the Option that is not exercisable at the time of such Termination of Employment, other than the Pro Rata Option Portion, shall be immediately forfeited.

" Pro Rata Option Portion " means, with respect to any Option Installment that is not exercisable at the time of a Participant's Termination of Employment, the number of Shares covered by such Option Installment multiplied by a fraction (i) the numerator of which is the number of calendar months from the Grant Date to the date of such Termination of Employment, rounded up for any partial month and (ii) the denominator of which is twelve (12) for the First Option Installment, twenty-four (24) for the Second Option Installment, and thirty-six (36) for the Third Option Installment.⁸

(B) *Voluntary Resignation*. Upon a Participant's Termination of Employment by reason of a voluntary resignation (other than for Good Reason or Retirement): (1) any portion of the Option that is not exercisable at the time of such Termination of Employment shall be immediately forfeited and (2) any portion of the Option that is exercisable at the time of such Termination of Employment shall remain exercisable until the earlier of (I) 90 days after such Termination of Employment or (II) the Expiration Date.

(C) *Retirement*. Subject to Section 4(d)(v)(F) below, upon a Participant's Termination of Employment by reason of Retirement, the Pro Rata Option Portion of any Option Installment that is not exercisable at the time of such Termination of Employment (1) will vest and become exercisable, if applicable, under Section 4(d)(iv) of the LTIP in the same manner and to the same extent as if the Participant's employment had continued and (2) the entire then exercisable portion of the Option shall be exercisable during the period: (I) beginning on the applicable Option Installment Vesting Date and (II) ending on the earlier of (x) the later of (i) the third anniversary of such Termination of Employment or (ii) the applicable Option Installment Vesting Date or (y) the Expiration Date. Pro Rata

⁸ If this formula results in any fractional Share, the Pro Rata Option Portion will be rounded up to the nearest whole Share.

Option Portion has the meaning set forth in Section 2(a) above. Upon the Participant's Termination of Employment by reason of Retirement, any portion of the Option that is not exercisable at the time of such termination, other than the Pro Rata Option Portion, shall be immediately forfeited.

(D) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, any Option Installment that is not exercisable at the time of such Termination of Employment shall vest and become exercisable and the then exercisable portion of the Option shall be exercisable during the period: (1) beginning on the date of such Termination of Employment and (2) ending on the earlier of (I) the third anniversary of such Termination of Employment or (II) the Expiration Date.

(E) *For Cause.* Upon a Participant's Termination of Employment by the Company for Cause, any unexercised portion of the Option shall be immediately forfeited, including any portion that was then exercisable.

(F) *Retirement-Eligible Participants Who Incur a Termination of Employment for Other Reasons.* If a Participant who is eligible for Retirement is, or would be, terminated by the Company without Cause, such Participant shall be considered to have been terminated by the Company without Cause for purposes of the Agreement rather than having retired, but only if the Participant acknowledges that, absent Retirement, the Participant would have been terminated by the Company without Cause. If, however, the employment of a Participant who is eligible for Retirement is terminated by the Company for Cause, then regardless of whether the Participant is considered as a retiree for purposes of any other program, plan or policy of the Company, for purposes of the Agreement, the Participant's employment shall be considered to have been terminated by the Company for Cause.

(G) *Change in Control.* Notwithstanding the foregoing and subject to Section 5 of the 2015 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason (including the Termination of Employment of the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) on or after a Change in Control but prior to the second anniversary of such Change in Control, any Option Installment that is not exercisable at the time of such Termination of Employment shall vest and become exercisable, and the entire then exercisable portion of the Option shall be exercisable during the period (1) beginning on the date of such Termination of Employment and (2) ending on the earlier of (I) the third anniversary of such Termination of Employment or (II) the Expiration Date.

5. Potential Reduction in Payments Due to Excise Tax. In the event that a Participant becomes entitled to benefits under the 2015 LTIP, then such benefits, together with any payment or consideration in the nature of value or compensation to or for the Participant's benefit under any other agreement with or plan of Delta, shall be subject to reduction as set forth in Section 4(e) of the 2009 Delta Air Lines, Inc. Officer and Director Severance Plan, which relates to the excise tax under Section 4999 of the Code.

6. Definitions. For purposes of the 2015 LTIP, the following definitions are hereby modified as set forth below and will apply in lieu of the definitions set forth in the 2007 Performance Plan or as modified, as applicable.

(a) For purposes of the 2015 LTIP, “ **Good Reason**” shall have the meaning set forth in the 2007 Performance Plan except the following will be ignored for purposes of determining whether a Participant has suffered a reduction that constitutes Good Reason under the 2015 LTIP: (i) any long-term award made to a Participant under the 2007 Performance Plan; (ii) any other equity-based awards or other incentive compensation awards made to a Participant by Delta (or any Affiliate or former Affiliate); and (iii) any retention payment or special travel benefits provided to a Participant as a result of his or her initial employment with Delta or any Affiliate.

(b) For purposes of the 2015 LTIP, “ **Retirement** ” means a Termination of Employment (other than for Cause or death) either: (i) on or after a Participant’s 62nd birthday provided that such Participant has completed at least 5 years service since his or her most recent hire date with the Company (or an Affiliate or former Affiliate) or (ii) on or after a Participant’s 52nd birthday provided that such Participant has completed at least 10 years service since his or her most recent hire date with the Company (or an Affiliate or former Affiliate).

7. Clawback. Notwithstanding anything to the contrary in the 2015 LTIP and subject to further amendment of this Section 7 to the extent required to be in compliance with any applicable law or regulations or Delta’s internal clawback policy, as it may be amended from time to time, if the Committee determines that a vice president or more senior officer level Participant has engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta’s financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by the Participant, including, without limitation, any Award under the 2015 LTIP, with respect to fiscal periods materially affected by the restatement and may recover from the Participant all such incentive compensation to the extent that the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

8. Section 409A of the Code. To the extent required to be in compliance with Section 409A of the Code, and the regulations promulgated thereunder (together, “ **Section 409A** ”), notwithstanding any other provision of this Plan, (a) any payment or benefit to which a Participant is eligible under the 2015 LTIP, including a Participant who is a “specified employee” as defined in Section 409A, shall be adjusted or delayed and (b) any term of the 2015 LTIP may be adjusted, in such manner as to comply with Section 409A and maintain the intent of the 2015 LTIP to the maximum extent possible. More specifically, to the extent any payment provided to a Participant under the 2015 LTIP constitutes non excepted deferred compensation under Section 409A and the Participant is at the time of his termination of employment considered to be a “specified employee” pursuant to the Company’s policy for determining such employees, the payment of any such non excepted amount and the provision of such non excepted benefits will be delayed for six months following the Participant’s separation from service. Notwithstanding the foregoing, Delta shall not have any liability to any Participant or any other person if any payment is determined to constitute “nonqualified deferred compensation” within the meaning of Section 409A and does not satisfy the additional conditions applicable to nonqualified deferred compensation under Section 409A.

DELTA AIR LINES, INC.
2015 MANAGEMENT INCENTIVE PLAN

1. Purpose. The 2015 Management Incentive Plan (the “ **MIP** ”) is an annual incentive program sponsored by Delta Air Lines, Inc. (“ **Delta** ” or the “ **Company** ”) that is intended to closely: (a) link pay and performance by providing management employees with a compensation opportunity based on Delta achieving key business plan goals in 2015 and (b) align the interests of management employees with the Company’s other employees and stakeholders. The MIP is being adopted under, and is subject to the terms of, the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the “ **2007 Plan** ”). Capitalized terms that are used but not defined in the MIP shall have the meaning ascribed to them in the 2007 Plan.

2. Plan Administration . (a) The Personnel & Compensation Committee of the Board of Directors (the “ **Committee** ”) shall be responsible for the general administration and interpretation of the MIP and for carrying out its provisions. The Committee shall have such powers as may be necessary to discharge its duties hereunder, including, without limitation, the following powers and duties, but subject to the terms of the MIP:

(i) authority to construe and interpret the terms of the MIP, and to determine eligibility, awards and the amount, manner and time of payment of any awards hereunder;

(ii) authority to prescribe forms and procedures for purposes of MIP participation and distribution of awards;

(iii) authority to adopt rules and regulations and to take such actions as it deems necessary or desirable for the proper administration of the MIP; and

(iv) authority at any time prior to a Change in Control to eliminate or reduce the actual payout to any Participant in the MIP.

(b) Any rule or decision by the Committee that is not inconsistent with the provisions of the MIP shall be conclusive and binding on all persons, and shall be given the maximum deference permitted by law.

(c) Notwithstanding anything contained in the 2007 Plan to the contrary, the Committee shall not have the authority to increase the actual payout to any Participant in the MIP.

3. Eligibility. All Delta employees worldwide who are officers, managing directors (grade 13), directors (grade 12), general managers (grade 11), grade 10 or grade 8 (other than employees who participate in a sales incentive plan or other major functional incentive plan, as may be in effect from time to time) are eligible to participate in the MIP (“ **Participants** ”).

4. MIP Awards.

(a) *General.* The MIP award (the “ **MIP Award** ”) each Participant receives, if any, will be based on: (i) the Participant’s Target MIP Award, as defined below; (ii) the level of achievement within each applicable performance measure; and (iii) the occurrence of a payout for 2015 under the Company’s broad-based employee profit sharing program (the “ **Profit Sharing Program** ”), as described below. Certain additional requirements will apply to any

Participant who is employed by the Company as an executive vice president or more senior officer of the Company (“ **Executive Officer Participant** ”), as discussed in Section 7(b) below.

(b) *Performance Measures* . The performance measures used will be one or more of financial (“ **Financial Performance** ”), operational (“ **Operational Performance** ”), revenue (“ **Revenue Performance** ”), leadership effectiveness (“ **Leadership Effectiveness Performance** ”) and individual performance (“ **Individual Performance** ”). Achievement under each performance measure may range from below threshold, at which there is no payout, to the maximum performance level, at which the payout will be greater than the target level, subject to Section 4(c) below.

(c) *Interaction with Profit Sharing Program and Individual Performance Measure*. If there is no payout under the Profit Sharing Program for 2015, (i) no amount will be paid with respect to Financial Performance to any Participant regardless of whether Delta meets or exceeds that performance measure and (ii) for general manager (grade 11) Participants and above, the actual MIP Award, if any, will not exceed such Participant’s Target MIP Award (as defined below). In addition, if a Participant’s performance under the Individual Performance Measure (applicable to Participants who are not officers) falls below the “meets expectations” performance rating, no amount will be paid with respect to Financial Performance, Operational Performance and/or Revenue Performance to such Participant regardless of whether Delta meets or exceeds those performance measures.

(d) *Target MIP Awards*. The Target MIP Award for each Participant will be expressed as a percentage of the Participant’s Annual Base Salary (the “ **Target MIP Award** ”) as determined by the Committee and will be communicated to Participants in such manner as the Committee deems appropriate. Subject to Section 8 below, “ **Annual Base Salary**” means the Participant’s 2015 annual base salary as in effect on December 31, 2015.

5. Weighting of Performance Measures. Subject to Section 8 below, a percentage of each Participant’s Target MIP Award is allocated to one or more of Financial Performance, Operational Performance, Revenue Performance, Leadership Effectiveness Performance and/or Individual Performance based on the Participant’s employment level, as follows:

Performance Measures and Weightings					
Employment Level	% of Target MIP Award allocated to Financial Performance	% of Target MIP Award allocated to Operational Performance	% of Target MIP Award Allocated to Revenue Performance	% of Target MIP Award allocated to Leadership Effectiveness Performance	% of Target MIP Award allocated to Individual Performance
CEO	50%	25%	25%	0%	0%
President	50%	25%	25%	0%	0%
EVP	50%	25%	25%	0%	0%
CIO and SVP – Supply Chain Management	50%	25%	25%	0%	0%
SVP	50%	25%	15%	10%	0%
VP	50%	25%	15%	10%	0%
Managing Director (Grade 13)	35%	15%	10%	0%	40%
Director (Grade 12)	35%	15%	10%	0%	40%
General Manager (Grade 11)	25%	15%	10%	0%	50%
Grade 10	0%	0%	0%	0%	100%
Grade 8	0%	0%	0%	0%	100%

6. The Performance Measures—Threshold, Target and Maximum Payout Levels. The Target MIP Award, and the amounts paid in connection with target levels of Financial, Operational, Revenue, Leadership Effectiveness, and Individual Performance, are based on the achievement of the target performance level with respect to each applicable performance measure (except that Financial Performance also requires a payout under the Profit Sharing Program for 2015). A Participant’s actual MIP Award may be greater or less than the target amount based on whether performance under one or more of the performance measures applicable to the Participant exceeds or is below target performance, subject to Section 4(c) above. This is explained in more detail below.

(a) *Financial Performance Measures* . The Financial Performance measures for 2015 are based on Delta’s Pre-Tax Income, as defined below. The following table describes the performance ranges and award payout levels for 2015 Financial Performance, subject to Section 4(c) above:

	Threshold	Target	Maximum
% of Target Financial Performance Measure Paid	50%	100%	200%
Required 2015 Pre-Tax Income	\$5,089 Million	\$6,649 Million	\$7,360 Million

Payouts will be straight-line interpolated when Pre-Tax Income results fall above Threshold and below Target or above Target and below Maximum; *provided, however*, for managing director (grade 13), director (grade 12) and general manager (grade 11) Participants only, if the Percentage Payout under the Profit Sharing Program for 2015 (as such term is defined therein) meets or exceeds 9.0%, payouts to such Participants based on Financial Performance will not be less than the Threshold amount regardless of whether the actual performance results fall below Threshold.

“**Pre-Tax Income**” will be the amount of Pre-Tax Income, if any, determined under the Profit Sharing Program for 2015.¹

(b) *Operational Performance Measures.* The Operational Performance measures for 2015 are based on both Delta and Delta Connection operational performance, with (i) Delta’s operational performance accounting for 75% of the measure and (ii) Delta Connection performance accounting for 25% of the measure. Delta’s Operational Performance is based on the number of times during 2015 that Delta meets or exceeds its monthly goals under the broad-based employee shared rewards program (the “**Shared Rewards Program**”). Delta Connection’s Operational Performance is based on the number of times during 2015 that the Delta Connection carriers meet or exceed their monthly operational goals for (x) completion factor and (y) on-time performance (the “**Delta Connection Goals**”). The Delta Connection Goals and the methodology for determining whether these goals are met are described in **Exhibit A** hereto. The following table describes the performance ranges and award payout levels for 2015 Operational Performance, subject to Section 4(c) above:

	Below Threshold	Threshold	Target	Maximum
Shared Rewards Program				
% of Target Payout for this Performance Measure (75% Weighting)	0%	37.50%	75%	150%
Number of monthly Shared Rewards Program goals actually met during 2015	15 or less	16	21	26 or more
Delta Connection Goals				
% of Target Payout for this Performance Measure (25% Weighting)	0%	12.50%	25%	50%
Number of Delta Connection Goals actually met during 2015	8 or less	9	14	19 or more

Payouts based on the Shared Rewards Program and Delta Connection Goals will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum.

¹The Profit Sharing Program for 2015 defines “Pre-Tax Income” as follows: for any calendar year, the Company’s consolidated pre-tax income calculated in accordance with Generally Accepted Accounting Principles in the United States and as reported in the Company’s public securities filings but excluding: (a) all asset write downs related to long term assets, (b) gains or losses with respect to employee equity securities, (c) gains or losses with respect to extraordinary, one-time or non-recurring events, and (d) expense accrued with respect to the profit sharing plan and the MIP.

(c) **Revenue Performance Measures.** The Revenue Performance measures for 2015 will be measured based on the comparison of Delta's TRASM for the 2015 calendar year over the 2014 calendar year relative to the Industry Group Average TRASM for the 2015 calendar year over the 2014 calendar year. The following table describes the performance ranges and award payout levels for 2015 Revenue Performance, subject to Section 4(c) above:

	Threshold	Target	Maximum
% of Target Revenue Performance Measure Paid	50%	100%	200%
Delta's 2015 TRASM over 2014 TRASM relative to Industry Group Average TRASM for the same period	2014 TRASM minus 0.50% points	2014 TRASM	2014 TRASM plus 0.50% points or more

Payouts based on Revenue Performance will be straight-line interpolated when actual performance results fall above Threshold and below Target or above Target and below Maximum; *provided, however*, if 2015 Financial Performance equals or exceeds the Maximum performance level, payouts based on Revenue Performance will not be less than the Target amount regardless of whether the actual performance results fall below Target.

“ **Available Seat Mile** ” means the consolidated scheduled and non-scheduled total number of seats available for transporting passengers during a reporting period multiplied by the total number of miles flown during that period.

“ **Industry Group** ” means Alaska Air Group, Inc., American Airlines Group, Inc., JetBlue Airways Corporation, Southwest Airlines Co., and United Continental Holdings, Inc.

“ **Industry Group Average TRASM** ” means the aggregate Total Operating Revenue for all members of the Industry Group divided by the aggregate Available Seat Miles of all members of the Industry Group.

“ **Total Operating Revenue** ” means, for Delta and each member of the Industry Group, the applicable company's total operating revenue for a calendar year based on its regularly prepared and publicly available statements of operations prepared in accordance with accounting principles generally accepted in the United States of America; *provided*, with respect to Delta, Total Operating Revenue shall exclude the portion of revenue associated with refinery sales to third parties net of exchange.

In determining the Total Operating Revenue for Delta and each member of the Industry Group, the Committee shall make such adjustments with respect to any subject company as is necessary to ensure the results are comparable, including, without limitation, differences in accounting policies (for example, non-recurring adjustments to deferred revenue resulting from (i) initial application of accounting policies; (ii) the application of accounting policies to materially modified contracts; or (iii) significant accounting estimate changes associated with mergers, acquisitions, divestitures or fresh start accounting as a result of emergence from bankruptcy). Without limiting the generality of the foregoing, the Committee shall (i) make such determinations based on publicly audited financial statements filed by the subject company with the U.S. Securities and Exchange Commission and (ii) exclude from any calculation any item of gain, loss or expense to be extraordinary or unusual in nature or infrequent in occurrence.

“ **TRASM** ” means Total Operating Revenue divided by Available Seat Miles.

(d) *Leadership Effectiveness Performance Measure* . The Leadership Effectiveness Performance measure (applicable to Participants who are Vice Presidents or Senior Vice Presidents) for 2015 will be based on an evaluation of whether a Participant has demonstrated leadership attributes and results during 2015 including, among other things, supporting diversity, providing talent management, meeting financial budget, improving employee engagement, and being a role model for the Rules of the Road. The performance ranges and award payout levels will be determined by the Committee, subject to Section 4(c) above.

(e) *Individual Performance Measure*. The Individual Performance measure (applicable to Participants who are not officers) is generally determined by each Participant’s annual performance evaluation at the end of 2015. The performance ranges and award payout levels will be determined by the Committee, subject to Section 4(c) above.

7. Timing of Award Payments.

(a) *In General*. Subject to Sections 7(b) and 8(a) below, any payouts to a Participant under the MIP for 2015 will be made in cash, as soon as practicable after (i) the Committee certifies the achievement of the required Financial Performance, Operational Performance and Revenue Performance results and (ii) where applicable, Leadership Effectiveness Performance results have been determined and an annual performance evaluation has been completed, but in no event later than March 15, 2015, unless it is administratively impracticable to do so, and such impracticability was unforeseeable at the end of 2015, in which case such payment shall be made as soon as administratively practicable after March 15, 2015. Further, unless a payout for 2015 under the Profit Sharing Program occurs after March 15, 2015, any payout under the 2015 MIP will not be made prior to a payout for 2015 under the Profit Sharing Program; *provided, however* , if it is determined there will be no payout for 2015 under the Profit Sharing Program, any MIP Awards that are payable based on Operational Performance, Revenue Performance, Leadership Effectiveness Performance or Individual Performance will be paid as soon as practicable thereafter, but in no event later than March 15, 2015, unless it is administratively impracticable to do so, and such impracticability was unforeseeable at the end of 2015, in which case such payment shall be made as soon as administratively practicable after March 15, 2015.

(b) *Executive Officer Participants*. Payouts under the MIP to Participants who, as of December 31, 2015, are Executive Officer Participants (as such term is defined in Section 4(a) above) will be subject to the following terms and conditions:

(i) Payment in Restricted Stock . If there is no payout under the Profit Sharing Program for 2015, any payout under the MIP to an Executive Officer Participant will be made in shares of Restricted Stock rather than in cash, with the number of shares of Restricted Stock being equal to the result of the following formula (“ **MIP Restricted Stock** ”): $A \div B$, where ²:

A = the amount of the payout to the Executive Officer Participant under the MIP had the payout been made in cash;
and

²If this formula results in any fractional share, the MIP Restricted Stock will be rounded up to the next highest ten shares.

B = the closing price of a Share on the New York Stock Exchange on the later of (1) the date that the Committee approves the payouts, if any, to the Executive Officer Participants under the MIP following the Committee's certification of the achievement of the required performance measures as described in Section 7(a) and (2) the third business day following the date on which the Company publicly announces its annual financial results if this date is scheduled in the same month that the Committee approves such payouts, if any.

(ii) Lapsing of Restrictions; Forfeiture. Until the restrictions imposed by this Section 7(b)(ii) (the “ **Restrictions** ”) have lapsed pursuant to the terms below, an Executive Officer Participant will not be permitted to sell, exchange, assign, transfer, pledge or otherwise dispose of the MIP Restricted Stock and the MIP Restricted Stock will be subject to forfeiture as set forth below.

(A) The Restrictions shall lapse and be of no further force or effect on the earlier of the date (1) there is a payout under the Profit Sharing Program unless, prior to such payout, the Executive Officer Participant incurs a Disqualifying Termination of Employment or (2) an Executive Officer Participant incurs a Qualifying Termination of Employment. The MIP Restricted Stock will be immediately forfeited if, prior to the lapsing of the Restrictions, the Executive Officer Participant incurs a Disqualifying Termination of Employment.

(B) “ **Disqualifying Termination of Employment** ” means an Executive Officer Participant's Termination of Employment by the Company for Cause.

(C) “ **Qualifying Termination of Employment** ” means an Executive Officer Participant's Termination of Employment (1) by the Company without Cause or (2) due to death or Disability.

(D) For purposes of this Section 7(b)(ii), if an Executive Officer Participant incurs a Termination of Employment by reason of (1) a voluntary resignation (including the Termination of Employment by the Participant if he or she is employed by an Affiliate at the time the Company sells or otherwise divests itself of such Affiliate) or (2) Retirement, the Restrictions shall lapse and be of no further force or effect on the date there is a payout under the Profit Sharing Program as if such Executive Officer Participant's employment had continued through such date.

(E) For purposes of the MIP, “ **Retirement** ” means a Termination of Employment (other than for Cause or death) either: (1) on or after a Participant's 62nd birthday provided that such Participant has completed at least 5 years service since his or her most recent hire date with the Company (or an Affiliate or former Affiliate) or (2) on or after a Participant's 52nd birthday provided that such Participant has completed at least 10 years service since his or her most recent hire date with the Company (or an Affiliate or former Affiliate).

(iii) Dividends. In the event a cash dividend shall be paid in respect of Shares at a time the Restrictions on the MIP Restricted Stock have not lapsed, the Participant shall be eligible to receive the dividend upon the lapse of the Restrictions . The Restrictions shall apply to any such dividend.

(iv) 2007 Plan; Written Notice. The MIP Restricted Stock will otherwise be subject to the terms of the 2007 Plan. In the event any Executive Officer Participant's MIP Award is converted to MIP Restricted Stock, such Participant will receive a written notice of such conversion with the details thereof as soon as practicable after the MIP payment date.

8. Change in Employment Status.

(a) Termination of Employment .

(i) *A Termination Event in 2015—General*. Except as expressly set forth in this Section 8, in the event a Participant's employment with Delta terminates for any reason prior to the end of the workday on December 31, 2015, such Participant will be ineligible for any award under the MIP. In other words, if a Participant is employed according to Company records through the end of the workday on December 31, 2015, the Participant will be eligible for any award earned under the MIP for 2015, including, if applicable, MIP Restricted Stock.

(ii) *Termination on or after January 1, 2016*. Subject to Section 7(b) above, a Participant who incurs a Termination of Employment for any reason other than for Cause on or after January 1, 2016 will remain eligible for any unpaid MIP Award, which award will be paid according to the terms of Section 7(a) above. A Participant who is terminated by the Company for Cause on or after January 1, 2016 will forfeit any unpaid MIP Award.

(iii) Pro Rata MIP Payment.

(A) *Disability or Retirement* . This Section 8(a)(iii)(A) applies to any Participant who incurs a Termination of Employment prior to January 1, 2016 due to the Participant's Disability or Retirement (as such term is defined in Section 7(b)(ii)(E)). Subject to the Participant's execution of a waiver and release of claims in a form and manner satisfactory to the Company, such Participant will be eligible to receive a MIP Award based on an adjusted annual base salary amount, but otherwise in the same manner, to the same extent and at the same time as the Participant would have received such MIP Award if such Participant's employment had continued through December 31, 2015 (*i.e.* , based on achievement of applicable performance measures). The most recent annual performance evaluation prior to the Termination of Employment will generally apply to the Individual Performance measure, if any, applicable to the Participant. The Participant's Annual Base Salary will be the result of the following formula: $X \times Y/12$, where:

X = the Participant's annual base salary as in effect as of the date of Termination of Employment; and

Y = the number of calendar months the Participant was actively employed by Delta during 2015 in a MIP-eligible position, rounded up for any partial month.³

(B) *Termination of Employment Without Cause or Resulting in Benefits under the Severance Plans* . This Section 8(a)(iii)(B) applies to any Participant who incurs a Termination of Employment prior to January 1, 2016 due to either (1) a Termination of Employment by the Company without Cause or (2) for any other reason that entitles such Participant to benefits under the Delta Air Lines, Inc. 2009 Officer and Director Severance Plan or any other Company-sponsored severance plan in which a Participant is eligible to participate (the “ **Severance Plans** ”). Subject to the Participant’s execution of a waiver and release of claims in a form and manner satisfactory to the Company, such Participant will be eligible to receive a MIP Award based on an adjusted annual base salary amount, but otherwise in the same manner, to the same extent and at the same time as the Participant would have received such MIP Award if such Participant’s employment had continued through December 31, 2015 (*i.e.* , based on achievement of applicable performance measures). The Participant’s Annual Base Salary will be determined in accordance with the formula set forth in Section 8(a)(iii)(A) above.

(C) *Death* . This Section 8(a)(iii)(C) applies to any Participant who incurs a Termination of Employment prior to January 1, 2016 due to the Participant’s death. The Participant’s estate will be eligible to receive a Pro Rata MIP Payment made in cash as soon as practicable after a Participant’s Termination of Employment, but in no event later than 2½ months following the end of the year in which the Termination of Employment occurs. “ **Pro Rata MIP Payment**” means the result of the following formula: $W \times Z/12$, where:

W = the Participant’s Target MIP Award; and

Z = the number of calendar months the Participant was actively employed by Delta during 2015 in a MIP-eligible position, rounded up for any partial month.

(b) **Other Changes in Employment Status** . The terms of this Section 8(b) shall apply to circumstances involving new hires, promotions, demotions, transfers or leaves of absence during 2015. After a Participant’s Target MIP Award is determined under this Section 8(b), the appropriate weighting of performance measures will apply to each portion of such Target MIP Award as set forth in Section 5 above. For partial calendar months, the change in employment status will be considered effective as of the 1st day of the month in which there is a change in status; *provided, however* , in the event that a Participant was (i) on a Disability leave

³For purposes of the MIP, one calendar month is calculated from the date of measurement to the same or closest numerical date occurring during the following month. For example, one calendar month from January 31, 2015 will elapse as of February 28, 2015, two months will elapse on March 31, 2015, and so on.

of absence for a period of less than one calendar month during 2015 and (ii) actively at work for at least one full day during such calendar month, the Participant will be deemed to have been employed in a MIP-eligible position for the entire calendar month. The end of year annual performance evaluation will apply to any Individual Performance measure applicable to the Participant unless the Participant is no longer subject to the such evaluation process after the change in employment status, in which case the most recent annual performance evaluation will apply. Any MIP Awards payable under this Section 8(b) will be paid at the same time and in the same manner as such awards are paid to active Participants, subject to Section 7(b) above.

(i) *New Hires.* With respect to any individual who becomes employed by Delta as a grade 8 or any more senior MIP-eligible position during 2015 but after January 1, 2015, such individual will be a Participant in the MIP and will be eligible to receive an award under the MIP for 2015; *provided*, that such Participant's Annual Base Salary will be the result of the following formula: $X \times Y/12$, where:

X = the Participant's annual base salary as of December 31, 2015; and

Y = the number of calendar months the Participant was actively employed by Delta in a MIP-eligible position during 2015, rounded up for any partial month.

(ii) *Promotions.* Participants who are either promoted into a MIP-eligible job level or promoted into a higher level of MIP participation during 2015 will have their Target MIP Award calculated based on their annual base salary at each MIP-eligible job level (measured as of the date immediately prior to the date the promotion is considered effective for purposes of the MIP, if applicable, as described in the first paragraph of Section 8(b) above, and as of December 31, 2015) and the number of calendar months they were employed in each such capacity, multiplied by the relevant total target award percentage applicable to their position or positions during the relevant period.

(iii) *Demotions.* Participants who are either demoted to a position that is not eligible to participate in the MIP or demoted to a lower level of MIP participation during 2015 will have their Target MIP Award calculated based on their annual base salary at each MIP-eligible job level (measured as of the date immediately prior to the date the demotion is considered effective for purposes of the MIP, as described in the first paragraph of Section 8(b) above, and, if applicable, as of December 31, 2015) and the number of calendar months they were employed in each such capacity, multiplied by the relevant total target award percentage applicable to their position or positions during the relevant period.

(iv) *Transfers and Leaves of Absence.* In the event that during 2015 a Participant (A) transfers employment from Delta to a Delta subsidiary or Affiliate that does not participate in the MIP or (B) goes on any type of leave at any time during 2015, the Participant will have his Target MIP Award calculated based on his annual base salary (measured as of the date immediately prior to the date the transfer or leave is considered effective for purposes of the MIP) and the number of calendar months he was employed in a MIP-eligible position during 2015, multiplied by the relevant total target award percentage applicable to his MIP-eligible position.

(v) *Military Leave.* In the event that at any time during 2015 a Participant is on a Military Leave of Absence, his or her Annual Base Salary shall be equal to the aggregate annual base salary the Participant received from Delta during 2015 plus any amount of base salary such Participant would have received had he or she been actively employed by Delta in any corresponding MIP-eligible position during such leave. **“Military Leave of Absence”** means a Participant’s absence from his or her position of employment at any time during 2015 because of service in the uniformed services, as defined under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (**“USERRA”**); *provided*, that a Participant must provide the Company appropriate evidence that his or her absence was due to service in the uniformed services and the period of such service in order to be considered to be on a Military Leave of Absence for purposes of the MIP. For purposes of the MIP, any Participant who is absent due to military service (according to Delta’s records) as of December 31, 2015 and has been on such leave for a cumulative period (during the period he or she has been employed by Delta) of five years or less, will be presumed to be on a Military Leave of Absence. Any Participant who is similarly absent due to military service (based on Delta’s records) and who has been on such leave for a period of more than five years will not be considered to be on a Military Leave of Absence until he or she provides appropriate evidence that he or she is entitled to an exception to the five-year limit on uniformed service as set forth in USERRA.

9. Treatment of Payments Under Benefit Plans or Programs . MIP payments, which for an Executive Officer Participant who receives MIP Restricted Stock means the amount of the payout to the Executive Officer Participant under the MIP had the payout been made in cash, will be considered as earnings under any benefit plan or program sponsored by Delta only to the extent such payments are included as earnings under the terms of the specific plan or program; *provided , however ,* that any MIP payment made to an Executive Officer Participant in MIP Restricted Stock will be considered as earnings only for purposes of the Company’s restoration payment program, as in effect from time to time. If such payments are included, unless otherwise provided in such plan or program, participants will be eligible to contribute amounts paid under the MIP into such plans in the same manner and to the same extent as their ordinary compensation and any amounts so contributed will be subject to any applicable Company contributions and/or matches. Notwithstanding anything to the contrary in this Section 9 and except as otherwise provided under the terms of any defined contribution plan sponsored by the Company, any MIP payment received in connection with a Termination of Employment shall not be considered earnings under any benefit plan or program sponsored by Delta.

10. Effective Date. The MIP will become effective as of January 1, 2015; *provided however*, if on or before the date the Committee adopts the MIP any employee who would otherwise have participated in the MIP is informed that his or her employment will be terminated by the Company without Cause, any severance such employee is entitled to receive will be calculated based on the 2014 Management Incentive Plan as in effect as of December 31, 2014.

11. Amendment. Except as otherwise expressly set forth in this Section and Section 14, the terms of Section 14 of the 2007 Plan shall apply to any amendment or termination of the MIP. In addition, the terms applicable to any Participant will be subject in their entirety to the terms of any offer letter or other document to which the Participant has agreed. The terms of such offer letter or other document, if contrary to the terms of the MIP, shall govern the rights of the corresponding Participant.

12. Fractions. Any calculation under the MIP that results in a fractional amount will be rounded up to two decimal points.

13. Section 409A of the Code. Notwithstanding anything to the contrary in the MIP, to the extent that any amount paid hereunder in connection with a Termination of Employment constitutes deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (together, “ **Section 409A** ”) and is paid to a “specified employee” as defined in Section 409A, the payment of such amount will be delayed for six months.

14. Clawback. Notwithstanding anything to the contrary in the MIP and subject to further amendment of this Section 14 to the extent required to be in compliance with any applicable law or regulation or Delta’s internal clawback policy, as it may be amended from time to time, if the Committee determines that a vice president or more senior officer level Participant has engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta’s financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by such Participant, including, without limitation, any MIP Award, with respect to fiscal periods materially affected by the restatement and may recover from the Participant all such incentive compensation to the extent that the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

EXHIBIT A— DELTA CONNECTION GOALS:

Delta Connection’s Operational Performance will be based on the number of times during 2015 that the group of Delta Connection carriers meets or exceeds its monthly operational goals for completion factor and on-time arrival performance (the “ **Delta Connection Goals** ”). The monthly Delta Connection Goals are included on the following table:

Month in 2015	Completion Factor 2015 Goal		On-Time Arrival Performance 2015 Goal	
	Relative CF	Absolute CF	Relative A14	Absolute A14
January	2nd	97.1%	2nd	81.6%
February	2nd	97.2%	2nd	82.6%
March	2nd	98.0%	2nd	81.8%
April	2nd	98.5%	2nd	83.8%
May	2nd	98.3%	2nd	83.1%
June	2nd	97.4%	2nd	79.6%
July	2nd	97.1%	2nd	79.4%
August	2nd	98.4%	2nd	82.6%
September	2nd	98.9%	2nd	85.7%
October	2nd	98.7%	2nd	84.7%
November	2nd	98.7%	2nd	85.5%
December	2nd	97.1%	2nd	79.2%
Overall	2nd	98.0%	2nd	82.5%

The monthly goal in each performance category may be met by achieving either the specific numeric target or ranking (with a comparator group ranking of “1” being the best performance).

- A. The primary source of reported metrics used to calculate performance will be each Delta Connection carrier’s data which flows into Delta’s data warehouse.
- B. All domestic and international Delta Connection carrier system operations subject to capacity purchase agreements and/or revenue proration agreements will be included in the performance measures, including the operations of Chautauqua, Compass, ExpressJet, GoJet, Endeavor Air, Shuttle America and SkyWest, but excluding any revenue proration operations with respect to which passenger reservations are not reflected on Delta’s reservations system (the “ **Delta Connection Program** ”). In the event that a carrier enters or leaves the Delta Connection Program, that carrier’s operations will be included or excluded from the performance measures as applicable.
- C. The monthly calculation for completion factor will be as follows:
 1. Add all Delta Connection scheduled system operations for the month.
 2. Add all Delta Connection system completed flights for the month (including flights canceled by one carrier and covered by another via an extra section, which also includes flights changed to Delta aircraft).
 3. Divide the result of C.2 by the result of C.1 for a combined Delta Connection system completion factor.
- D. The monthly calculation for on-time performance will be as follows:
 1. Add all Delta Connection completed system operations for the month.
 2. Add all Delta Connection system on time operations for the month. On time operations are defined as the number of flights that arrive at the scheduled destination within 15 minutes of the scheduled arrival time.

3. Divide the result of D.2 by the result of D.1 for a combined Delta Connection system on-time performance measure.

E. All calculations will be performed and validated by Delta Connection Operations.

F. The comparator group for the relative measure shall include the regional portfolios for Alaska Air Group, Inc., United Continental Holdings, Inc. and American Airlines Group, Inc. and the data is compiled by a third party selected by the Company.

Delta Air Lines, Inc.
Computation of Ratio of Earnings to Fixed Charges

(in millions, except for ratio data)	Year Ended December 31,				
	2014	2013	2012	2011	2010
Earnings (loss) before income taxes	\$ 1,072	\$ 2,527	\$ 1,025	\$ 769	\$ 608
Add (deduct):					
Fixed charges from below	737	947	1,116	1,202	1,315
Capitalized interest	(33)	(29)	(21)	(9)	(6)
Earnings (loss) as adjusted	\$ 1,776	\$ 3,445	\$ 2,120	\$ 1,962	\$ 1,917
Fixed charges:					
Interest expense, including capitalized amounts and amortization of debt costs	\$ 691	\$ 891	\$ 1,044	\$ 1,122	\$ 1,226
Portion of rental expense representative of the interest factor	46	56	72	80	89
Fixed charges	\$ 737	\$ 947	\$ 1,116	\$ 1,202	\$ 1,315
Ratio of earnings to fixed charges	2.41	3.64	1.90	1.63	1.46

The following are included in the results above:

(in millions)	Year Ended December 31,				
	2014	2013	2012	2011	2010
MTM adjustments	\$ 2,346	\$ (276)	\$ (27)	\$ 26	\$ —
Restructuring and other	716	424	452	242	227
Loss on extinguishment of debt	268	—	118	68	391
Virgin Atlantic MTM adjustments	134	—	—	—	—
Merger-related items	—	—	—	—	233
Total	\$ 3,464	\$ 148	\$ 543	\$ 336	\$ 851

SUBSIDIARIES OF DELTA AIR LINES, INC.
as of December 31, 2014

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
Aero Assurance Ltd.	Vermont
DAL Global Services, LLC	Delaware
Delta Private Jets, Inc.	Kentucky
Endeavor Air, Inc.	Georgia
Epsilon Trading, LLC	Delaware
MIPC, LLC	Delaware
MLT Vacations, Inc.	Minnesota
Monroe Energy, LLC	Delaware
New Sky, Ltd.	Bermuda

Certain subsidiaries were omitted pursuant to Item 601(21)(ii) of the SEC's Regulation S-K.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement No. 333-142424 on Form S-8 pertaining to Delta Air Lines, Inc. 2007 Performance Compensation Plan,
- (2) Registration Statement No. 333-149308 on Form S-8 pertaining to Delta Air Lines, Inc. 2007 Performance Compensation Plan,
- (3) Registration Statement No. 333-154818 on Form S-8 pertaining to Delta Air Lines, Inc. 2007 Performance Compensation Plan, and
- (4) Registration Statement No. 333-151060 on Form S-8 pertaining to Northwest Airlines Corporation 2007 Stock Incentive Plan;

of our reports dated February 10, 2015 , with respect to the consolidated financial statements of Delta Air Lines, Inc., and the effectiveness of internal control over financial reporting of Delta Air Lines, Inc. included in this Annual Report (Form 10-K) of Delta Air Lines, Inc. for the year ended December 31, 2014 .

/s/ Ernst & Young LLP

Atlanta, Georgia
February 10, 2015

I, Richard H. Anderson, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the fiscal year ended December 31, 2014 ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 10, 2015

/s/ Richard H. Anderson

Richard H. Anderson
Chief Executive Officer

I, Paul A. Jacobson , certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the fiscal year ended December 31, 2014 ;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 10, 2015

/s/ Paul A. Jacobson

Paul A. Jacobson

Executive Vice President and Chief Financial Officer

February 10, 2015
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the fiscal year ended December 31, 2014 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Richard H. Anderson

Richard H. Anderson

Chief Executive Officer

/s/ Paul A. Jacobson

Paul A. Jacobson

Executive Vice President and Chief Financial Officer