

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2020

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-5424



DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

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

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 every Interactive Data File required to be submitted 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 such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Number of shares outstanding by each class of common stock, as of March 31, 2020:

Common Stock, \$0.0001 par value - 637,836,206 shares outstanding

This document is also available through our website at <http://ir.delta.com/>.

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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-Q (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 "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 ("Form 10-K") and "Item 1A. Risk Factors" of Part II of this Form 10-Q, 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Delta Air Lines, Inc. (the Company) as of March 31, 2020, the related condensed consolidated statements of operations and comprehensive (loss) income, cash flows, and stockholders' equity for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2019, the related consolidated statements of operations, comprehensive income, cash flows, and stockholders' equity for the year then ended, and the related notes (not presented herein); and in our report dated February 12, 2020, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Atlanta, Georgia
April 22, 2020

DELTA AIR LINES, INC.
Consolidated Balance Sheets
(Unaudited)

(in millions, except share data)	March 31, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,967	\$ 2,882
Accounts receivable, net of an allowance for uncollectible accounts of \$16 and \$13 at March 31, 2020 and December 31, 2019, respectively	2,280	2,854
Fuel inventory	439	730
Expendable parts and supplies inventories, net of an allowance for obsolescence of \$90 and \$82 at March 31, 2020 and December 31, 2019, respectively	535	521
Prepaid expenses and other	1,054	1,262
Total current assets	10,275	8,249
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation and amortization of \$17,506 and \$17,027 at March 31, 2020 and December 31, 2019, respectively	31,644	31,310
Operating lease right-of-use assets	5,488	5,627
Goodwill	9,753	9,781
Identifiable intangibles, net of accumulated amortization of \$875 and \$873 at March 31, 2020 and December 31, 2019, respectively	6,019	5,163
Cash restricted for airport construction	455	636
Equity investments	3,684	2,568
Other noncurrent assets	1,420	1,198
Total noncurrent assets	58,463	56,283
Total assets	\$ 68,738	\$ 64,532
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of debt and finance leases	\$ 4,337	\$ 2,287
Current maturities of operating leases	768	801
Air traffic liability	5,598	5,116
Accounts payable	3,337	3,266
Accrued salaries and related benefits	1,844	3,701
Loyalty program deferred revenue	1,099	3,219
Fuel card obligation	1,100	736
Other accrued liabilities	1,309	1,078
Total current liabilities	19,392	20,204
Noncurrent Liabilities:		
Debt and finance leases	12,662	8,873
Pension, postretirement and related benefits	8,285	8,452
Loyalty program deferred revenue	5,718	3,509
Noncurrent operating leases	5,204	5,294
Deferred income taxes, net	1,502	1,456
Other noncurrent liabilities	1,666	1,386
Total noncurrent liabilities	35,037	28,970
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 647,386,115 and 651,731,443 shares issued at March 31, 2020 and December 31, 2019, respectively	—	—
Additional paid-in capital	11,054	11,129
Retained earnings	11,423	12,454
Accumulated other comprehensive loss	(7,898)	(7,989)
Treasury stock, at cost, 9,549,909 and 8,959,730 shares at March 31, 2020 and December 31, 2019, respectively	(270)	(236)
Total stockholders' equity	14,309	15,358
Total liabilities and stockholders' equity	\$ 68,738	\$ 64,532

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

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31,	
	2020	2019
Operating Revenue:		
Passenger	\$ 7,569	\$ 9,254
Cargo	152	192
Other	871	1,026
Total operating revenue	8,592	10,472
Operating Expense:		
Salaries and related costs	2,771	2,639
Aircraft fuel and related taxes	1,595	1,978
Regional carriers expense, excluding fuel	902	893
Depreciation and amortization	678	615
Contracted services	675	632
Aircraft maintenance materials and outside repairs	469	476
Landing fees and other rents	467	419
Passenger commissions and other selling expenses	358	427
Passenger service	257	271
Ancillary businesses and refinery	219	351
Aircraft rent	100	102
Profit sharing	—	220
Other	511	429
Total operating expense	9,002	9,452
Operating (Loss)/Income	(410)	1,020
Non-Operating Expense:		
Interest expense, net	(79)	(83)
Gain/(loss) on investments, net	(112)	100
Miscellaneous, net	(6)	(91)
Total non-operating expense, net	(197)	(74)
(Loss)/Income Before Income Taxes	(607)	946
Income Tax Benefit/(Provision)	73	(216)
Net (Loss)/Income	\$ (534)	\$ 730
Basic (Loss)/Earnings Per Share	\$ (0.84)	\$ 1.10
Diluted (Loss)/Earnings Per Share	\$ (0.84)	\$ 1.09
Cash Dividends Declared Per Share	\$ 0.40	\$ 0.35
Comprehensive (Loss)/Income	\$ (443)	\$ 789

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

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended March 31,	
	2020	2019
Net Cash Provided by Operating Activities	\$ 358	\$ 1,942
Cash Flows from Investing Activities:		
Property and equipment additions:		
Flight equipment, including advance payments	(629)	(1,059)
Ground property and equipment, including technology	(308)	(301)
Redemption of short-term investments	—	206
Acquisition of strategic investments	(2,099)	—
Other, net	65	58
Net cash used in investing activities	(2,971)	(1,096)
Cash Flows from Financing Activities:		
Payments on debt and finance lease obligations	(1,238)	(1,285)
Repurchase of common stock	(344)	(1,325)
Cash dividends	(260)	(233)
Proceeds from short-term obligations	2,882	1,750
Proceeds from long-term obligations	3,962	500
Fuel card obligation	364	(9)
Other, net	(22)	(7)
Net cash provided by/(used in) financing activities	5,344	(609)
Net Increase in Cash, Cash Equivalents and Restricted Cash Equivalents	2,731	237
Cash, cash equivalents and restricted cash equivalents at beginning of period	3,730	2,748
Cash, cash equivalents and restricted cash equivalents at end of period	\$ 6,461	\$ 2,985
Non-Cash Transactions:		
Flight and ground equipment acquired under finance leases	\$ 184	\$ 3
Right-of-use assets acquired under operating leases	55	274

The following table provides a reconciliation of cash, cash equivalents and restricted cash equivalents reported within the Consolidated Balance Sheets to the total of the same such amounts shown above:

(in millions)	March 31,	
	2020	2019
Current assets:		
Cash and cash equivalents	\$ 5,967	\$ 1,910
Restricted cash included in prepaid expenses and other	39	57
Noncurrent assets:		
Cash restricted for airport construction	455	1,018
Total cash, cash equivalents and restricted cash equivalents	\$ 6,461	\$ 2,985

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

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

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2019	652	\$ —	\$ 11,129	\$ 12,454	\$ (7,989)	9	\$ (236)	\$ 15,358
Net loss	—	—	—	(534)	—	—	—	(534)
Dividends declared	—	—	—	(257)	—	—	—	(257)
Other comprehensive income	—	—	—	—	91	—	—	91
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, \$56.48 ⁽¹⁾ per share)	1	—	29	—	—	1	(34)	(5)
Stock purchased and retired	(6)	—	(104)	(240)	—	—	—	(344)
Balance at March 31, 2020	647	\$ —	\$ 11,054	\$ 11,423	\$ (7,898)	10	\$ (270)	\$ 14,309

(in millions, except per share data)	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2018	688	\$ —	\$ 11,671	\$ 10,039	\$ (7,825)	8	\$ (198)	\$ 13,687
Net income	—	—	—	730	—	—	—	730
Dividends declared	—	—	—	(232)	—	—	—	(232)
Other comprehensive income	—	—	—	—	59	—	—	59
Shares of common stock issued and compensation expense associated with equity awards (Treasury shares withheld for payment of taxes, 49.75 ⁽¹⁾ per share)	2	—	27	—	—	1	(35)	(8)
Stock purchased and retired	(26)	—	(444)	(881)	—	—	—	(1,325)
Balance at March 31, 2019	664	\$ —	\$ 11,254	\$ 9,656	\$ (7,766)	9	\$ (233)	\$ 12,911

⁽¹⁾ Weighted average price per share.

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

DELTA AIR LINES, INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited Condensed 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 United States ("GAAP") for interim financial information. Consistent with these requirements, this Form 10-Q does not include all the information required by GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Form 10-K for the year ended December 31, 2019.

Management believes the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, including normal recurring items, considered necessary for a fair statement of results for the interim periods presented.

Due to severe impacts from the global COVID-19 (coronavirus) pandemic, seasonal variations in the demand for air travel, the volatility of aircraft fuel prices and other factors, operating results for the three months ended March 31, 2020 are not necessarily indicative of operating results for the entire year.

We reclassified certain prior period amounts to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

Recent Accounting Standards

Credit Losses. In 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." Under this ASU, an entity is required to utilize an "expected credit loss model" on certain financial instruments, including trade and financing receivables. This model requires consideration of a broader range of reasonable and supportable information and requires an entity to estimate expected credit losses over the lifetime of the asset. We adopted this standard effective January 1, 2020 and due to the COVID-19 pandemic, we recorded reserves against certain of our outstanding financial instruments that were not material individually or in the aggregate.

NOTE 2. IMPACT OF THE COVID-19 PANDEMIC

The unprecedented and rapid spread of COVID-19 and the related travel restrictions and social distancing measures implemented throughout the world have significantly reduced demand for air travel. After initially impacting our service to China beginning in January, the spread of the virus and the resulting global pandemic next affected the majority of our international network and ultimately our domestic network. Beginning in March, large public events were cancelled, governmental authorities began imposing restrictions on non-essential activities, businesses suspended travel and popular leisure destinations temporarily closed to visitors. Certain countries that are key markets for our business have imposed bans on international travelers for specified periods or indefinitely.

As a result, demand for travel declined at an accelerated pace, which has had an unprecedented and materially adverse impact on our revenues and financial position. The length and severity of the reduction in demand due to the pandemic is uncertain; accordingly, we expect the adverse impact to grow in the June 2020 quarter. While we are planning for a modest demand recovery beginning in the September 2020 quarter, the exact timing and pace of the recovery is uncertain given the significant impact of the pandemic on the overall U.S. and global economy. Our forecasted expense management and liquidity measures may be modified as we clarify the demand recovery timing.

See Note 3, "Revenue Recognition," for discussion of the recognition of passenger revenue, our air traffic liability and ticket breakage assumptions.

In response to these developments, we have implemented measures to focus on the safety of our customers and employees, while at the same time seeking to mitigate the impact on our financial position and operations. These measures include, but are not limited to, the following:

Taking Care of our Customers and Employees. The safety of our customers and employees continues to be our primary focus. As the COVID-19 pandemic has developed, we have taken numerous steps to help customers and employees practice social distancing on the ground and in the air in keeping with current health-expert recommendations:

- Adopting new cleaning procedures on all flights, including disinfectant electrostatic spraying on all aircraft overnight and sanitizing high-touch areas like tray tables, entertainment screens, armrests and seat-back pockets before boarding.
- Taking steps to help employees and customers practice social distancing, including blocking middle seats, pausing automatic upgrades, modifying our boarding process and moving to essential meal service only.
- Extending 2020 Medallion Status an additional year, rolling Medallion Qualification Miles into 2021 and extending Delta SkyMiles American Express Card benefits and Delta Sky Club memberships.
- Giving customers flexibility to plan, re-book and travel including extending expiration on travel credits through September 2022.
- Offering pay protection to employees who have tested positive for COVID-19, must quarantine due to exposure or travel-related requirements or have self-identified as being at high-risk for illness from COVID-19 according to the Centers for Disease Control and Prevention ("CDC") guidelines and do not have the ability to telecommute.
- Implementing significant workforce social distancing and protection measures, including reworking call center spaces to provide appropriate social distancing, increasing cleaning of our facilities using methods and products similar to what we are using on our aircraft and having virtually all employees who can telecommute do so.

Capacity Reductions. Following a strong start to 2020 in January and February, we experienced a precipitous decrease in demand in March as COVID-19 spread throughout the world. To align capacity with expected demand, beginning in the second half of March, we have significantly reduced our system capacity to a level that maintains essential services. For the June 2020 quarter, system capacity is expected to be down approximately 85 percent compared to the June 2019 quarter, with international capacity to be reduced by approximately 90 percent and domestic flying to be reduced by approximately 80 percent. As a result of reduced demand expectations and lower capacity, we are temporarily parking approximately 50 percent of our fleet.

Expense Management. With the reduction in revenue, we have, and will continue to implement cost saving initiatives, including:

- Reducing capacity as described above to align with expected demand, which has resulted in temporarily parking approximately 400 aircraft as of March 31, 2020, with the expectation to have over 650 aircraft parked by the end of the June quarter. As a result, we have made the decision to accelerate the retirement of our MD-88 fleet from December 2020 to the end of July 2020.
- Consolidating our footprint at our airport facilities, including temporarily closing most Delta Sky Clubs.
- Reducing employee-related costs, including:
 - Voluntary unpaid leaves of 30 days to 12 months offered to most employees. Approximately 35,000 employees have volunteered to take leaves beginning in the June 2020 quarter.
 - Salary reductions of 50% for our officers and 25% for our director level employees.
 - A 25% reduction in work hours for all other management and most front-line employee work groups.
 - Instituting a company-wide hiring freeze.
- Delaying non-essential maintenance projects and reducing or suspending other discretionary spending.

Balance Sheet, Cash Flow and Liquidity. We have taken the following actions to increase liquidity and strengthen our financial position. As a result of these actions, our cash and cash equivalents balance as of March 31, 2020 was \$6.0 billion.

- Reducing planned capital expenditures by approximately \$3.5 billion, including working with original equipment manufacturers ("OEM") to optimize the timing of our future aircraft deliveries, delaying aircraft modifications and postponing certain information technology initiatives and replacement of ground equipment.
- Drawing \$3.0 billion from our previously undrawn revolving credit facilities.
- Entering into a \$2.7 billion secured term loan facility during the March 2020 quarter with an accordion feature that allowed us to increase the facility to \$3.0 billion during April 2020.
- Entering into \$150 million of loans secured by certain of our widebody aircraft. In addition, during April 2020, we have entered into an additional \$1.2 billion of sale-leaseback transactions for certain aircraft and are pursuing other financing initiatives.
- Suspending future share repurchases and dividends.
- Delaying \$500 million of planned voluntary pension funding.

We continue to evaluate future financing opportunities by leveraging our unencumbered assets which, as of March 31, 2020, have a value of at least \$15 billion, and utilizing funding from the CARES Act, discussed below. In response to the impact that the demand environment has had on our financial condition, our credit rating has been downgraded by Standard & Poor's to BB in late March 2020 and by Fitch to BB+ in early April 2020.

Our primary credit facility has various financial and other covenants that require us to maintain a minimum fixed charge coverage ratio and a minimum asset coverage ratio. In the event that we are unable to maintain compliance with such covenants, we expect to obtain an amendment or waiver from our lenders, refinance the indebtedness subject to covenants or take other mitigating actions prior to a potential breach.

See Note 7, "Debt," for more information on our debt issuances during the March 2020 quarter.

Valuation of Goodwill and Indefinite-Lived Intangibles

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. Our December 2019 quarter quantitative impairment tests of goodwill and intangibles indicated that there was no indication of impairment as the fair value exceeded our carrying value:

(in millions)	Carrying Value at		Fair Value Excess at 2019 Testing Date
	March 31, 2020	December 31, 2019	
Goodwill ⁽¹⁾	\$ 9,753	\$ 9,781	234%
International routes and slots	2,583	2,583	15% to 29%
Airline alliances ⁽²⁾	1,863	1,005	67% to 576%
Delta tradename	850	850	185%
Domestic slots	622	622	61% to 181%
Total	\$ 15,671	\$ 14,841	

⁽¹⁾ The reduction in goodwill during the March 2020 quarter relates to the combination of Delta Private Jets with Wheels Up. See Note 5, "Investments," for more information on this transaction.

⁽²⁾ As part of our strategic alliance with and investment in LATAM, we have recorded an alliance-related indefinite-lived intangible asset of \$1.2 billion, which was not reflected in the 2019 quantitative impairment assessment.

Despite the significant excess fair value identified in our 2019 impairment assessment, we determined that the reduced cash flow projections and the significant decline in Delta's market capitalization as a result of the COVID-19 pandemic indicate that an impairment loss may have been incurred. Therefore, we qualitatively assessed whether it was more likely than not that the goodwill and indefinite-lived intangible assets were impaired as of March 31, 2020. We reviewed our previous forecasts and assumptions based on our current projections that are subject to various risks and uncertainties, including: (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business and our alliance partners from the COVID-19 pandemic, (2) current discount rates, (3) the reduction in Delta's market capitalization, (4) observable market transactions, (5) changes to the regulatory environment and (6) the nature and amount of government support that will be provided.

Based on our interim impairment assessment as of March 31, 2020, we have determined that our goodwill and indefinite-lived intangible assets are not impaired. However, we are unable to predict how long these conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on air travel and our business. Any measure that encourages potential travelers to stay in their homes, engage in social distancing or avoid larger gatherings of people is highly likely to be harmful to the air travel industry in general, and consequently our business.

Valuation of Long-Lived Assets

Our flight equipment and other long-lived assets, which are classified as property and equipment, net on the Consolidated Balance Sheet ("balance sheet"), have a recorded value of \$31.6 billion at March 31, 2020. We review flight equipment and other long-lived assets used in operations for impairment losses when events and circumstances indicate the assets may be impaired.

As part of our capacity reductions related to the negative effect on our business from the COVID-19 pandemic, we have removed approximately 400 aircraft from active service and plan to park another approximately 250 aircraft during the June 2020 quarter. These aircraft are being temporarily parked, with the exception of the MD-88 fleet discussed above for which an impairment charge of \$22 million was recorded, and we have not yet decided to accelerate the retirement of any other fleet.

To determine whether impairments exist for active and temporarily parked aircraft, we group assets at the fleet-type level or at the contract level for aircraft operated by regional carriers (i.e., 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 and labor costs and other relevant factors. Given the substantial reduction in our active aircraft and diminished projections of future cash flows in the near term, we evaluated the remainder of our fleet and determined that no fleet (other than the MD-88) was impaired as the future cash flows from operation of the fleet through the respective retirement dates exceeded the carrying value. As we obtain greater clarity about the duration and extent of reduced demand and potentially execute further capacity adjustments, we will continue to evaluate our current fleet compared to network requirements and may decide to permanently retire additional aircraft.

See Note 5, "Investments," for more information on the valuation of our equity investments.

CARES Act

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. The CARES Act is a relief package intended to assist many aspects of the American economy, including providing the airline industry with up to \$25 billion in grants to be used for employee wages, salaries and benefits.

In April 2020, we were granted \$5.4 billion in emergency relief through the payroll support program of the CARES Act to be paid in installments through July 2020. The relief payments are conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include prohibitions on share repurchases and dividends through September 30, 2021, continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation. The relief payments include \$3.8 billion in grants and \$1.6 billion in an unsecured 10-year low interest loan. The loan includes annual interest rates of 1.00% for the first five years (through April 2025) and the Secured Overnight Financing Rate ("SOFR") plus 2.00% in the final five years. In return, we have agreed to issue to the U.S. Department of the Treasury over 6.5 million warrants to acquire Delta common stock. These warrants include an exercise price of \$24.39 per share and have a five-year term.

On April 20, 2020, we received the first installment of \$2.7 billion under the payroll support program.

The CARES Act provides for up to \$25 billion in secured loans to the airline industry. We expect to be eligible for approximately \$4.6 billion under the loan program and are currently evaluating our level of participation.

Finally, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This is expected to provide us with approximately \$200 million of additional liquidity during the current year.

NOTE 3. REVENUE RECOGNITION

Passenger Revenue

Passenger revenue is primarily composed of passenger ticket sales, loyalty travel awards and travel-related services performed in conjunction with a passenger's flight.

(in millions)	Three Months Ended March 31,	
	2020	2019
Ticket	\$ 6,511	\$ 7,988
Loyalty travel awards	543	692
Travel-related services	515	574
Total passenger revenue	\$ 7,569	\$ 9,254

The air traffic liability primarily includes sales of passenger tickets to be flown in the future, as well as credits which can be applied as payment toward the cost of a ticket. The credits are typically issued as a result of ticket cancellations prior to their expiration dates. As of March 31, 2020, passenger tickets sold and credits issued were generally valid for one year from the date of original ticket issuance. In April 2020, we announced changes to expiration dates, as discussed below.

We recognized approximately \$2.8 billion in passenger revenue during the three months ended March 31, 2020 that was recorded in our air traffic liability balance at December 31, 2019.

The air traffic liability typically increases during the winter and spring as advanced ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. However, the current reduction in demand for air travel due to the COVID-19 pandemic has resulted in an unprecedented low level of advance bookings and the associated cash received. At the same time, we have experienced significant cancellations beginning in the second half of March, which has led to issuance of refunds to customers, while the remainder have been rebooked on future flights or received credits in lieu of cash refunds. The total value of refunds, excluding taxes and related fees, issued to customers during the March 2020 quarter was approximately \$850 million. Due to the uncertainty around the return of demand for air travel, we are unable to estimate the amount of the December 31, 2019 air traffic liability that will be recognized in earnings compared to amounts that will be refunded to customers or issued as a credit for future travel through the end of 2020.

In April 2020, we announced that credits issued for cancelled travel in March through September 2020 will have an extended expiration date through September 2022. This change is expected to shift a portion of our air traffic liability to noncurrent. We will also consider this change in estimating the future breakage rate, which represents the value of tickets that will expire unused and is recognized as revenue at the scheduled flight date.

Other Revenue

(in millions)	Three Months Ended March 31,	
	2020	2019
Loyalty program	\$ 474	\$ 474
Ancillary businesses and refinery	223	369
Miscellaneous	174	183
Total other revenue	\$ 871	\$ 1,026

Loyalty Program. Our SkyMiles loyalty program generates customer loyalty by rewarding customers with incentives to travel on Delta. This program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection and other airlines that participate in the loyalty program. When traveling, customers earn redeemable miles based on the passenger's loyalty program status and ticket price. Customers can also earn miles through participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies. Miles are redeemable by customers in future periods for air travel on Delta and other participating airlines, membership in our Sky Club and other program awards. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines. Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. During the three months ended March 31, 2020 and 2019, total cash sales from marketing agreements related to our loyalty program were \$992 million and \$980 million, respectively, which are allocated to travel and other performance obligations.

Current Activity of the Loyalty Program. Miles are combined in one homogeneous pool and are not separately identifiable. As such, the revenue is comprised of miles that were part of the loyalty program deferred revenue balance at the beginning of the period as well as miles that were issued during the period.

The table below presents the activity of the current and noncurrent loyalty program liability and includes miles earned through travel and miles sold to participating companies, which are primarily through marketing agreements.

(in millions)	2020		2019	
Balance at January 1	\$	6,728	\$	6,641
Miles earned		660		720
Travel miles redeemed		(543)		(692)
Non-travel miles redeemed		(28)		(45)
Balance at March 31	\$	6,817	\$	6,624

The timing of mile redemptions can vary widely; however, the majority of new miles have historically been redeemed within two years. The loyalty program deferred revenue classified as a current liability represents our current estimate of revenue expected to be recognized in the next 12 months based on projected redemptions, while the balance classified as a noncurrent liability represents our current estimate of revenue expected to be recognized beyond 12 months. As a result of the COVID-19 pandemic, a larger portion of mile redemptions is projected to occur beyond 12 months and is therefore reflected as a noncurrent liability as of March 31, 2020. We will continue to monitor redemptions as the situation evolves.

Revenue by Geographic Region

Operating revenue for the airline segment is recognized in 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 Condensed Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. Our passenger and operating revenue by geographic region is summarized in the following tables:

(in millions)	Passenger Revenue			
	Three Months Ended March 31,			
	2020		2019	
Domestic	\$	5,601	\$	6,741
Atlantic		818		1,074
Latin America		765		861
Pacific		385		578
Total	\$	7,569	\$	9,254

(in millions)	Operating Revenue			
	Three Months Ended March 31,			
	2020		2019	
Domestic	\$	6,267	\$	7,516
Atlantic		994		1,287
Latin America		863		969
Pacific		468		700
Total	\$	8,592	\$	10,472

NOTE 4. FAIR VALUE MEASUREMENTS

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

(in millions)	March 31, 2020	Level 1	Level 2
Cash equivalents	\$ 4,669	\$ 4,669	\$ —
Restricted cash equivalents	494	494	—
Long-term investments	1,367	908	459
Hedge derivatives, net			
Fuel hedge contracts	8	(5)	13
Interest rate contracts	25	—	25
Foreign currency exchange contracts	14	—	14

(in millions)	December 31, 2019	Level 1	Level 2
Cash equivalents	\$ 586	\$ 586	\$ —
Restricted cash equivalents	847	847	—
Long-term investments	1,099	881	218
Hedge derivatives, net			
Fuel hedge contracts	1	(1)	2
Interest rate contracts	61	—	61
Foreign currency exchange contracts	6	—	6

Cash Equivalents and Restricted Cash Equivalents. Cash equivalents generally consist of money market funds. Restricted cash equivalents generally consist of money market funds, time deposits, commercial paper and negotiable certificates of deposit, which primarily relate to proceeds from debt issued to finance a portion of the construction costs for our new terminal facilities at New York's LaGuardia Airport. The fair value of these cash equivalents is based on a market approach using prices generated by market transactions involving identical or comparable assets.

Long-Term Investments. Our long-term investments that are measured at fair value primarily consist of equity investments, which are valued based on market prices or other observable transactions and inputs, and are recorded in equity investments on our balance sheet. See Note 5, "Investments," for further information on our equity investments.

Hedge Derivatives. A portion of our derivative contracts are negotiated over-the-counter 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). Such contracts are classified as Level 2 within the fair value hierarchy. The remainder of our hedge contracts are comprised of futures contracts, which are traded on a public exchange. These contracts are classified within Level 1 of the fair value hierarchy.

- *Fuel Hedge Contracts.* Our fuel hedge portfolio consists of options, swaps and futures. Option and swap contracts are valued under income approaches using option pricing models and discounted cash flow models, respectively, based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. 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 are swap contracts, which are valued based on data readily observable in public markets.
- *Foreign Currency Exchange Contracts.* Our foreign currency derivatives consist of forward contracts and are valued based on data readily observable in public markets.

NOTE 5. INVESTMENTS

Long-Term Investments

We have developed strategic relationships with a number of airlines and airline services companies through equity investments and other forms of cooperation and support. Our equity investments reinforce our commitment to these relationships and provide us with the ability to participate in strategic decision-making, often through representation on the board of directors of the investee.

Fair Value Investments

We account for the following investments at fair value with adjustments to fair value recognized in gain/(loss) on investments within non-operating expense in our Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income ("income statement"). We recorded losses of \$112 million and gains of \$100 million on our fair value investments during the three months ended March 31, 2020 and 2019, respectively. These results were driven by changes in stock prices and foreign currency fluctuations.

(in millions)	Ownership Interest		Carrying Value	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Hanjin-KAL	15 %	10 %	\$ 538	\$ 205
Air France-KLM	9 %	9 %	211	418
China Eastern	3 %	3 %	159	258
Wheels Up	27 %	— %	234	—
Other investments			225	218
Total fair value investments			\$ 1,367	\$ 1,099

Wheels Up. In January 2020, we combined Delta Private Jets, our wholly owned subsidiary which provides private jet operations, with Wheels Up. Upon closing, we received a 27% equity stake in Wheels Up which we have elected to record using the fair value option as this is expected to better reflect the economics of our ownership interest. This transaction resulted in a gain of \$240 million which was recorded within miscellaneous, net in our income statement.

GOL. In the December 2019 quarter we sold our ownership stake of GOL Linhas Aéreas Inteligentes, the parent company of VRG Linhas Aéreas (operating as GOL), and are winding down our commercial agreements. Additionally, GOL has a \$300 million five-year term loan facility with third parties maturing in August 2020, which we have guaranteed. Based on market value at March 31, 2020, approximately 50% of our guaranty is secured by GOL's ownership interest in Smiles, GOL's publicly traded loyalty program. Because GOL remains in compliance with the terms of its loan facility, we have not recorded a liability for the term loan on our balance sheet as of March 31, 2020. However, as the COVID-19 pandemic continues to impact the global economy, there is an increased risk related to GOL's ability to repay this term loan, which may require our performance under this guarantee. Therefore, we have recorded an immaterial reserve in other accrued liabilities related to the decline in value of our security interest in GOL's Smiles shares.

Equity Method Investments

We account for the investments listed below under the equity method of accounting.

(in millions)	Ownership Interest		Carrying Value	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
LATAM	20 %	— %	\$ 1,088	\$ —
Grupo Aeroméxico ⁽¹⁾	51 %	51 %	770	833
Virgin Atlantic ⁽²⁾	49 %	49 %	207	375
AirCo	49 %	49 %	141	142

⁽¹⁾ Grupo Aeroméxico's corporate bylaws (as authorized by the Mexican Foreign Investment Commission) limit our voting interest to a maximum of 49%. Therefore, we account for our investment under the equity method. Due to Grupo Aeroméxico's share repurchase program, our equity stake in Grupo Aeroméxico has increased to a non-controlling 51% interest.

⁽²⁾ We have a non-controlling equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways, and similar non-controlling interests in certain affiliated Virgin Atlantic companies.

LATAM. In January 2020, we acquired 20% of the shares of LATAM Airlines Group S.A. ("LATAM") for \$1.9 billion, or \$16 per share, through a tender offer as part of our plan to enter into a strategic alliance with LATAM. In addition, to support the establishment of the strategic alliance, we agreed to make transition payments to LATAM totaling \$350 million, \$200 million of which was disbursed in 2019. As part of our planned strategic alliance with LATAM, we have also agreed to acquire four A350 aircraft from LATAM and have assumed ten of LATAM's A350 purchase commitments with Airbus for deliveries through 2025. The total consideration of \$2.3 billion, including the tender offer and the transition payments, has been allocated based on their relative fair values to the shares (\$1.1 billion) and to the alliance-related indefinite-lived intangible asset (\$1.2 billion). We expect to record the aircraft at cost upon delivery.

Based on our 20% ownership interest and planned strategic alliance, we determined that we have significant influence over LATAM and will accordingly record this investment under the equity method of accounting. At acquisition, our investment was recorded at \$1.1 billion based on the allocated value to our 20% equity stake in LATAM on January 3, 2020. Due to the timing of information available from LATAM, we will record our portion of LATAM's financial results on a one quarter lag, beginning in the June 2020 quarter.

Our portion of Grupo Aeroméxico's and Virgin Atlantic's financial results are recorded in miscellaneous, net in our income statement under non-operating expense, and our share of AirCo's financial results is recorded in contracted services in our income statement as this entity is integral to the operations of our business.

If an equity method investment experiences a loss in fair value that is determined to be other than temporary, we will reduce our basis in the investment to fair value and record the loss in non-operating expense. Given the recent and unprecedented impact of the COVID-19 pandemic on the airline industry, we evaluated whether our equity method investments in LATAM, Grupo Aeroméxico, Virgin Atlantic and AirCo were other than temporarily impaired. Based on discussions with each investee's management and review of their respective liquidity and financial projections, we do not believe these investments are other than temporarily impaired as we have the intent and ability to retain these investments for a period of time sufficient to allow for anticipated recovery in value. However, we will continue to monitor the continuing effects of the pandemic, self-help measures each investee executes and potential assistance provided by their respective governments.

Effective January 2020, we combined our separate transatlantic joint venture agreements with Air France-KLM and Virgin Atlantic into a single three-party transatlantic joint venture. Under the new agreement, certain measurement thresholds were reset from the previous joint venture with Virgin Atlantic, reducing the value Delta would have received over the original term. To compensate Delta for this reduced value, we entered into a transition agreement with Virgin Atlantic and, as of March 31, 2020, have recognized a receivable of approximately \$200 million, which is recorded in other noncurrent assets, and corresponding deferred revenue, which is recorded in other noncurrent liabilities.

NOTE 6. DERIVATIVES AND RISK MANAGEMENT

Changes in 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 balance sheet.

Cash flows associated with purchasing and settling hedge contracts generally are classified as operating cash flows.

Fuel Price Risk

Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe's inventory.

Interest Rate Risk

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

In March 2020, we unwound a majority of our interest rate swap contracts. The unwind of these contracts generated approximately \$100 million of cash in the quarter. These gains will be reflected in our income statement over the remaining term of the related debt agreements.

Foreign Currency Exchange Risk

We are subject to foreign currency exchange rate risk because we have revenue, expense and equity investments denominated in foreign currencies. 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.

Hedge Position as of March 31, 2020

(in millions)	Volume	Final Maturity Date	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, net
<i>Designated as hedges</i>							
Interest rate contracts (fair value hedges)	150 U.S. dollars	April 2028	\$ 2	\$ 23	\$ —	\$ —	\$ 25
<i>Not designated as hedges</i>							
Foreign currency exchange contracts	238 Euros	December 2020	11	—	—	—	11
Foreign currency exchange contracts	177,045 South Korean won	April 2023	1	2	—	—	3
Fuel hedge contracts	219 gallons - crude oil and refined products	April 2021	98	—	(90)	—	8
Total derivative contracts			\$ 112	\$ 25	\$ (90)	\$ —	\$ 47

Hedge Position as of December 31, 2019

(in millions)	Volume	Final Maturity Date	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, net
Designated as hedges							
Interest rate contracts (fair value hedges)	1,872 U.S. dollars	April 2028	\$ 12	\$ 53	\$ (4)	\$ —	\$ 61
Not designated as hedges							
Foreign currency exchange contracts	397 Euros	December 2020	9	—	—	—	9
Foreign currency exchange contracts	177,045 South Korean won	April 2023	1	—	—	(4)	(3)
Fuel hedge contracts	243 gallons - crude oil and refined products	July 2020	16	—	(15)	—	1
Total derivative contracts			\$ 38	\$ 53	\$ (19)	\$ (4)	\$ 68

Balance Sheet Location of Hedged Item in Fair Value Hedges

(in millions)	Carrying Amount of Hedge Instruments		Cumulative Amount of Fair Value Hedge Adjustments ¹	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Current maturities of debt and finance leases	\$ 22	\$ (19)	\$ 22	\$ 8
Debt and finance leases	\$ (47)	\$ (1,783)	\$ 102	\$ 53

⁽¹⁾ As of March 31, 2020, these amounts include the cumulative amount of fair value hedging adjustments remaining for which hedge accounting has been discontinued of approximately \$100 million.

Offsetting Assets and Liabilities

We have master netting arrangements with our counterparties giving us the right to offset hedge assets and liabilities. However, we have elected not to offset the fair value positions recorded on our balance sheet. The following table shows the net fair value of our counterparty positions had we elected to offset.

(in millions)	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, net
March 31, 2020					
Net derivative contracts	\$ 22	\$ 25	\$ —	\$ —	\$ 47
December 31, 2019					
Net derivative contracts	\$ 24	\$ 53	\$ (5)	\$ (4)	\$ 68

Not Designated Hedge Gains (Losses)

Gains (losses) related to our foreign currency exchange and fuel hedge contracts are as follows:

(in millions)	Location of Gain (Loss) Recognized in Income	Amount of Gain (Loss) Recognized in Income	
		2020	2019
Three Months Ended March 31,			
Foreign currency exchange contracts	Gain/(loss) on investments, net	\$ 19	\$ 11
Fuel hedge contracts	Aircraft fuel and related taxes	216	(54)
Total		\$ 235	\$ (43)

Credit Risk

To manage credit risk associated with our 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.

NOTE 7. DEBT

The following table summarizes our debt:

(in millions)	Maturity Dates			Interest Rate(s) Per Annum at March 31, 2020			March 31, 2020	December 31, 2019
		to			to		\$	\$
Unsecured notes	2020	to	2029	2.60%	to	4.38%	\$ 4,550	\$ 5,550
2020 Secured Term Loan Facility ⁽¹⁾	2021			2.75%	to	2.96%	2,700	—
Financing arrangements secured by aircraft:								
Certificates ⁽²⁾	2020	to	2028	2.00%	to	8.02%	2,611	1,669
Notes ⁽¹⁾⁽²⁾	2020	to	2025	1.37%	to	6.03%	1,243	1,193
NYTDC Special Facilities Revenue Bonds, Series 2018 ⁽²⁾	2022	to	2036	4.00%	to	5.00%	1,383	1,383
Other financings ⁽¹⁾⁽²⁾⁽³⁾	2021	to	2030	1.99%	to	8.75%	256	196
2018 Unsecured Revolving Credit Facility ⁽¹⁾	2021	to	2023			2.45%	2,650	—
Other revolving credit facilities ⁽¹⁾	2020	to	2021	2.37%	to	3.21%	292	—
Total secured and unsecured debt							15,685	9,991
Unamortized premium and debt issue cost, net and other							155	115
Total debt							15,840	10,106
Less: current maturities							(4,090)	(2,054)
Total long-term debt							\$ 11,750	\$ 8,052

⁽¹⁾ Certain financings are comprised of variable rate debt. All variable rates are equal to LIBOR (generally subject to a floor) or another index rate, in each case plus a specified margin.

⁽²⁾ Due in installments.

⁽³⁾ Primarily includes unsecured bonds and debt secured by certain accounts receivable and real estate.

2020 Secured Term Loan Facility

In March 2020, we entered into a \$2.7 billion 364-day secured term loan facility ("the facility"). Borrowings under the facility are secured by certain aircraft. The facility also contains an accordion feature under which the aggregate commitment can be increased to \$4.0 billion upon our request, provided that the new lenders agree to the existing terms of the facility. The facility contains covenants similar to our other existing borrowings. In April 2020, this loan was increased to \$3.0 billion.

2020-1 EETC

We completed a \$1.0 billion offering of Pass Through Certificates, Series 2020-1 ("2020-1 EETC") utilizing a pass through trust during March 2020. This amount is included in Certificates in the table above. The proceeds of this issuance were used to pay the unsecured notes that matured in the March 2020 quarter. The details of the 2020-1 EETC, which is secured by 33 aircraft, are shown in the table below:

(in millions)	Total Principal	Fixed Interest Rate	Issuance Date	Final Maturity Date
2020-1 Class AA Certificates	\$ 796	2.00%	March 2020	June 2028
2020-1 Class A Certificates	204	2.50%	March 2020	June 2028
Total	\$ 1,000			

Availability Under Revolving Credit Facilities

During the March 2020 quarter, we drew \$3.0 billion on our revolving credit facilities and had \$21 million undrawn as of March 31, 2020. The amounts drawn are included as outstanding debt in the table above.

Fair Value of Debt

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

(in millions)	March 31, 2020	December 31, 2019
Net carrying amount	\$ 15,840	\$ 10,106
Fair value	\$ 14,800	\$ 10,400

Covenants

We were in compliance with the covenants in our financing agreements at March 31, 2020.

NOTE 8. EMPLOYEE BENEFIT PLANS

The following table shows the components of net periodic (benefit) cost:

(in millions)	Pension Benefits		Other Postretirement and Postemployment Benefits	
	2020	2019	2020	2019
Three Months Ended March 31,				
Service cost	\$ —	\$ —	\$ 24	\$ 21
Interest cost	175	208	28	34
Expected return on plan assets	(343)	(297)	(11)	(12)
Amortization of prior service credit	—	—	(2)	(2)
Recognized net actuarial loss	75	73	10	9
Net periodic (benefit) cost	\$ (93)	\$ (16)	\$ 49	\$ 50

Service cost is recorded in salaries and related costs in our income statement while all other components are recorded within miscellaneous, net under non-operating expense.

We have no minimum funding requirements for our defined benefit pension plans. Due to the impact of the COVID-19 pandemic on our liquidity, we no longer plan to make any voluntary contributions during 2020.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Aircraft Purchase Commitments

We have committed to the future aircraft purchases reflected below. However, we are working with the OEMs to optimize the timing of our future aircraft deliveries. Our future aircraft purchase commitments totaled approximately \$14.7 billion at March 31, 2020:

(in millions)	Total
Nine months ending December 31, 2020	\$ 2,560
2021	4,560
2022	3,060
2023	1,860
2024	1,000
Thereafter	1,700
Total	\$ 14,740

Our future aircraft purchase commitments included the following aircraft at March 31, 2020:

Aircraft Type	Purchase Commitments
A220-100	14
A220-300	50
A321-200	27
A321-200neo	100
A330-900neo ⁽¹⁾	32
A350-900	26
CRJ-900	4
Total	253

⁽¹⁾ Includes two A330-900neo lease commitments with one in each of 2020 and 2021.

LATAM A350 Commitments

We have agreed to acquire four A350 aircraft from LATAM and assumed ten of LATAM's A350 purchase commitments from Airbus, with deliveries through 2025, which are included as purchase commitments in the table above. See Note 5, "Investments," for further information on our strategic alliance with LATAM.

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. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our Condensed 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. We did not have a Reserve or an amount withheld as of March 31, 2020 or December 31, 2019.

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 insurance policies in place as required by applicable environmental laws.

Some 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 specified changes in laws or regulations. In some of these financing transactions, we also bear the risk of 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.

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 10. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables show the components of accumulated other comprehensive loss:

(in millions)	Pension and Other Benefit Liabilities ⁽²⁾	Other	Total
Balance at January 1, 2020 (net of tax effect of \$1,549)	\$ (8,095)	\$ 106	\$ (7,989)
Changes in value (net of tax effect of \$3)	—	21	21
Reclassifications into earnings (net of tax effect of \$21) ⁽¹⁾	70	—	70
Balance at March 31, 2020 (net of tax effect of \$1,531)	\$ (8,025)	\$ 127	\$ (7,898)
Balance at January 1, 2019 (net of tax effect of \$1,492)	\$ (7,925)	\$ 100	\$ (7,825)
Changes in value (net of tax effect of \$1)	—	(2)	(2)
Reclassifications into earnings (net of tax effect of \$19) ⁽¹⁾	60	1	61
Balance at March 31, 2019 (net of tax effect of \$1,474)	\$ (7,865)	\$ 99	\$ (7,766)

⁽¹⁾ Amounts reclassified from AOCI for pension and other benefit liabilities and for derivative contracts designated as foreign currency cash flow hedges are recorded in miscellaneous, net in non-operating expense and in passenger revenue, respectively, in our income statement.

⁽²⁾ Includes \$672 million of deferred income tax expense primarily related to pension and other benefit obligations that will not be recognized in net income until these obligations are fully extinguished. We consider all income sources, including other comprehensive income, in determining the amount of tax benefit allocated to continuing operations.

NOTE 11. SEGMENTS

Refinery Operations

Our refinery segment operates for the benefit of the airline segment by providing jet fuel to the airline segment from its own production and through jet fuel obtained through agreements with third parties. 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 three months ended March 31, 2020 and 2019 was \$831 million and \$732 million, 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
Three Months Ended March 31, 2020				
Operating revenue:	\$ 8,592	\$ 1,184		\$ 8,592
Sales to airline segment			\$ (210) ⁽¹⁾	
Exchanged products			(831) ⁽²⁾	
Sales of refined products			(143) ⁽³⁾	
Operating (loss) income	(439)	29	—	(410)
Interest expense (income), net	80	(1)	—	79
Depreciation and amortization	678	25	(25) ⁽⁴⁾	678
Total assets, end of period	66,864	1,874	—	68,738
Capital expenditures	926	11	—	937
Three Months Ended March 31, 2019				
Operating revenue:	\$ 10,424	\$ 1,283		\$ 10,472
Sales to airline segment			\$ (271) ⁽¹⁾	
Exchanged products			(732) ⁽²⁾	
Sales of refined products			(232) ⁽³⁾	
Operating income (loss)	1,054	(34)	—	1,020
Interest expense (income), net	92	(9)	—	83
Depreciation and amortization	615	23	(23) ⁽⁴⁾	615
Total assets, end of period	60,343	1,498	—	61,841
Capital expenditures	1,350	10	—	1,360

⁽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 exchange agreements, as discussed above, determined on a market price basis.

⁽³⁾ These sales were at or near cost; accordingly, the margin on these sales is de minimis.

⁽⁴⁾ Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

NOTE 12. (LOSS)/EARNINGS PER SHARE

We calculate basic (loss)/earnings per share and diluted (loss) per share by dividing net (loss)/income by the weighted average number of common shares outstanding, excluding restricted shares. We calculate diluted earnings per share by dividing net income by the weighted average number of common shares outstanding plus the dilutive effect of outstanding share-based awards, including stock options and restricted stock awards. Antidilutive common stock equivalents excluded from the diluted (loss)/earnings per share calculation are not material. The following table shows the computation of basic and diluted (loss)/earnings per share:

(in millions, except per share data)	Three Months Ended March 31,	
	2020	2019
Net (loss)/income	\$ (534)	\$ 730
Basic weighted average shares outstanding	637	665
Dilutive effect of share-based awards	—	2
Diluted weighted average shares outstanding	637	667
Basic (loss)/earnings per share	\$ (0.84)	\$ 1.10
Diluted (loss)/earnings per share	\$ (0.84)	\$ 1.09

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Impact of the COVID-19 Pandemic

The unprecedented and rapid spread of COVID-19 and the related travel restrictions and social distancing measures implemented throughout the world have significantly reduced demand for air travel. After initially impacting our service to China beginning in January, the spread of the virus and the resulting global pandemic next affected the majority of our international network and ultimately our domestic network. Beginning in March, large public events were cancelled, governmental authorities began imposing restrictions on non-essential activities, businesses suspended travel and popular leisure destinations temporarily closed to visitors. Certain countries that are key markets for our business have imposed bans on international travelers for specified periods or indefinitely.

As a result, demand for travel declined at an accelerated pace, which has had an unprecedented and materially adverse impact on our revenues and financial position. The length and severity of the reduction in demand due to the pandemic is uncertain; accordingly, we expect the adverse impact to grow in the June 2020 quarter. While we are planning for a modest demand recovery beginning in the September 2020 quarter, the exact timing and pace of the recovery is uncertain given the significant impact of the pandemic on the overall U.S. and global economy. Our forecasted expense management and liquidity measures may be modified as we clarify the demand recovery timing.

In response to these developments, we have implemented measures to focus on the safety of our customers and employees, while at the same time seeking to mitigate the impact on our financial position and operations. These measures include, but are not limited to, the following:

Taking Care of our Customers and Employees. The safety of our customers and employees continues to be our primary focus. As the COVID-19 pandemic has developed, we have taken numerous steps to help customers and employees practice social distancing on the ground and in the air in keeping with current health-expert recommendations:

- Adopting new cleaning procedures on all flights, including disinfectant electrostatic spraying on all aircraft overnight and sanitizing high-touch areas like tray tables, entertainment screens, armrests and seat-back pockets before boarding.
- Taking steps to help employees and customers practice social distancing, including blocking middle seats, pausing automatic upgrades, modifying our boarding process and moving to essential meal service only.
- Extending 2020 Medallion Status an additional year, rolling Medallion Qualification Miles into 2021 and extending Delta SkyMiles American Express Card benefits and Delta Sky Club memberships.
- Giving customers flexibility to plan, re-book and travel including extending expiration on travel credits through September 2022.
- Offering pay protection to employees who have tested positive for COVID-19, must quarantine due to exposure or travel-related requirements or have self-identified as being at high-risk for illness from COVID-19 according to the Centers for Disease Control and Prevention ("CDC") guidelines and do not have the ability to telecommute.
- Implementing significant workforce social distancing and protection measures, including reworking call center spaces to provide appropriate social distancing, increasing cleaning of our facilities using methods and products similar to what we are using on our aircraft and having virtually all employees who can telecommute do so.

Capacity Reductions. Following a strong start to 2020 in January and February, we experienced a precipitous decrease in demand in March as COVID-19 spread throughout the world. To align capacity with expected demand, beginning in the second half of March, we have significantly reduced our system capacity to a level that maintains essential services. For the June 2020 quarter, system capacity is expected to be down approximately 85 percent compared to the June 2019 quarter, with international capacity to be reduced by approximately 90 percent and domestic flying to be reduced by approximately 80 percent. As a result of reduced demand expectations and lower capacity, we are temporarily parking approximately 50 percent of our fleet.

Expense Management. With the reduction in revenue, we have, and will continue to implement cost saving initiatives, including:

- Reducing capacity as described above to align with expected demand, which has resulted in temporarily parking approximately 400 aircraft as of March 31, 2020, with the expectation to have over 650 aircraft parked by the end of the June quarter. As a result, we have made the decision to accelerate the retirement of our MD-88 fleet from December 2020 to the end of July 2020.
- Consolidating our footprint at our airport facilities, including temporarily closing most Delta Sky Clubs.
- Reducing employee-related costs, including:
 - Voluntary unpaid leaves of 30 days to 12 months offered to most employees. Approximately 35,000 employees have volunteered to take leaves beginning in the June 2020 quarter.
 - Salary reductions of 50% for our officers and 25% for our director level employees.
 - A 25% reduction in work hours for all other management and most front-line employee work groups.
 - Instituting a company-wide hiring freeze.
- Delaying non-essential maintenance projects and reducing or suspending other discretionary spending.

Balance Sheet, Cash Flow and Liquidity. We have taken the following actions to increase liquidity and strengthen our financial position. As a result of these actions, our cash and cash equivalents balance as of March 31, 2020 was \$6.0 billion.

- Reducing planned capital expenditures by approximately \$3.5 billion, including working with original equipment manufacturers ("OEM") to optimize the timing of our future aircraft deliveries, delaying aircraft modifications and postponing certain information technology initiatives and replacement of ground equipment.
- Drawing \$3.0 billion from our previously undrawn revolving credit facilities.
- Entering into a \$2.7 billion secured term loan facility during the March 2020 quarter with an accordion feature that allowed us to increase the facility to \$3.0 billion during April 2020.
- Entering into \$150 million of loans secured by certain of our widebody aircraft. In addition, during April 2020, we have entered into an additional \$1.2 billion of sale-leaseback transactions for certain aircraft and are pursuing other financing initiatives.
- Suspending future share repurchases and dividends.
- Delaying \$500 million of planned voluntary pension funding.

We continue to evaluate future financing opportunities by leveraging our unencumbered assets which, as of March 31, 2020, have a value of at least \$15 billion, and utilizing funding from the CARES Act, discussed below. In response to the impact that the demand environment has had on our financial condition, our credit rating has been downgraded by Standard & Poor's to BB in late March 2020 and by Fitch to BB+ in early April 2020.

Our primary credit facility has various financial and other covenants that require us to maintain a minimum fixed charge coverage ratio and a minimum asset coverage ratio. In the event that we are unable to maintain compliance with such covenants, we expect to obtain an amendment or waiver from our lenders, refinance the indebtedness subject to covenants or take other mitigating actions prior to a potential breach.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. The CARES Act is a relief package intended to assist many aspects of the American economy, including providing the airline industry with up to \$25 billion in grants to be used for employee wages, salaries and benefits.

In April 2020, we were granted \$5.4 billion in emergency relief through the payroll support program of the CARES Act to be paid in installments through July 2020. The relief payments are conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include prohibitions on share repurchases and dividends through September 30, 2021, continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation. The relief payments include \$3.8 billion in grants and \$1.6 billion in an unsecured 10-year low interest loan. The loan includes annual interest rates of 1.00% for the first five years (through April 2025) and the Secured Overnight Financing Rate ("SOFR") plus 2.00% in the final five years. In return, we have agreed to issue to the U.S. Department of the Treasury over 6.5 million warrants to acquire Delta common stock. These warrants include an exercise price of \$24.39 per share and have a five-year term.

On April 20, 2020, we received the first installment of \$2.7 billion under the payroll support program.

The CARES Act provides for up to \$25 billion in secured loans to the airline industry. We expect to be eligible for approximately \$4.6 billion under the loan program and are currently evaluating our level of participation.

Finally, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This is expected to provide us with approximately \$200 million of additional liquidity during the current year.

March 2020 Quarter Financial Overview

Our pre-tax loss for the March 2020 quarter was \$607 million, representing a \$1.6 billion decrease compared to the corresponding prior year quarter primarily resulting from a 18.0% decrease in revenue. Pre-tax loss, adjusted (a non-GAAP financial measure) was \$422 million, a decrease of \$1.3 billion compared to the corresponding prior year period.

Revenue. Compared to the March 2019 quarter, our operating revenue decreased \$1.9 billion, or 18.0%, due to reduced demand resulting from the COVID-19 pandemic, including a rapid decrease in demand during the last three weeks of March 2020. The decrease in operating revenue generated a 13.1% decrease in total revenue per available seat mile ("TRASM") and a 12.3% decrease in TRASM, adjusted (a non-GAAP financial measure) compared to the March 2019 quarter.

Operating Expense. Total operating expense decreased \$450 million, or 4.8%, primarily resulting from lower fuel costs, volume-related expenses and profit sharing. Our consolidated operating cost per available seat mile ("CASM") increased 1.0% to 15.30 cents compared to the March 2019 quarter, primarily due to the 5.7% reduction in capacity, which was mitigated by lower fuel costs. Non-fuel unit costs ("CASM-Ex" a non-GAAP financial measure) increased 9.5% to 12.58 cents compared to the March 2019 quarter, due to employee wage increases and effects of the 5.7% reduction in capacity.

Non-Operating Results. Total non-operating expense was \$197 million in the March 2020 quarter, \$123 million higher than the March 2019 quarter, primarily due to unrealized losses on our equity investments compared to minimal gains in the prior year.

Cash Flow. Due to the sudden onset of the COVID-19 pandemic, losses during the quarter resulted in \$358 million of operating cash flow. During the quarter, we incurred \$3.0 billion of investing cash outflows, primarily related to our \$1.9 billion investment in LATAM Airlines Group S.A. ("LATAM") and \$937 million of capital investments. The \$937 million of capital investments primarily occurred before the negative effects of the COVID-19 pandemic materialized. As discussed above, we have suspended, or are planning to significantly reduce, capital investments for the remainder of the year by limiting capital expenditures to only those critical to our operation. These results generated \$161 million of negative free cash flow (a non-GAAP financial measure) compared to \$751 million of free cash flow in the March 2019 quarter. Despite this negative free cash flow, we ended the March 2020 quarter with \$6.0 billion of liquidity due to debt issuances, borrowings and other liquidity initiatives.

The above non-GAAP financial measures for pre-tax loss, adjusted, TRASM, adjusted, CASM-Ex and free cash flow, are defined and reconciled in "Supplemental Information" below.

Results of Operations - Three Months Ended March 31, 2020 and 2019

Operating Revenue

(in millions) ⁽¹⁾	Three Months Ended March 31,		Increase (Decrease)	% Increase (Decrease)
	2020	2019		
Ticket - Main cabin	\$ 3,798	\$ 4,721	\$ (923)	(19.6) %
Ticket - Business cabin and premium products	2,713	3,267	(554)	(17.0) %
Loyalty travel awards	543	692	(149)	(21.5) %
Travel-related services	515	574	(59)	(10.3) %
Total passenger revenue	\$ 7,569	\$ 9,254	\$ (1,685)	(18.2) %
Cargo	152	192	(40)	(20.8) %
Other	871	1,026	(155)	(15.1) %
Total operating revenue	\$ 8,592	\$ 10,472	\$ (1,880)	(18.0) %
TRASM (cents)	14.59 ¢	16.78 ¢	(2.19) ¢	(13.1) %
Third-party refinery sales ⁽²⁾	—	(0.08)	0.08	NM
Delta Private Jets adjustment ⁽²⁾	—	(0.07)	0.07	NM
TRASM, adjusted	14.59 ¢	16.63 ¢	(2.04) ¢	(12.3) %

⁽¹⁾ This reconciliation may not calculate exactly due to rounding.

⁽²⁾ For additional information on adjustments to TRASM, see "Supplemental Information" below.

Operating Revenue

Compared to the March 2019 quarter, our operating revenue decreased \$1.9 billion, or 18.0%, due to reduced demand resulting from the COVID-19 pandemic, primarily in the second half of March. The decrease in operating revenue generated a 13.1% decrease in TRASM and a 12.3% decrease in TRASM, adjusted compared to the March 2019 quarter.

Passenger Revenue by Geographic Region

(in millions)	Three Months Ended March 31, 2020	Increase (Decrease) vs. Three Months Ended March 31, 2019					
		Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	\$ 5,601	(16.9) %	(14.1) %	(1.1) %	(3.2) %	(16.0) %	(10.9) pts
Atlantic	818	(23.8) %	(19.4) %	(12.1) %	(5.5) %	(13.3) %	(6.5) pts
Latin America	765	(11.2) %	(12.4) %	(5.9) %	1.5 %	(5.6) %	(6.0) pts
Pacific	385	(33.3) %	(34.0) %	(26.5) %	1.0 %	(9.3) %	(8.7) pts
Total	\$ 7,569	(18.2) %	(16.6) %	(5.7) %	(2.0) %	(13.3) %	(9.6) pts

Passenger revenue decreased \$1.7 billion, or 18.2%, compared to the March 2019 quarter. Passenger revenue per available seat mile ("PRASM") decreased 13.3%, and passenger mile yield decreased 2.0% on 5.7% lower capacity. Load factor decreased 9.6 points from the prior year to 73.1%.

Domestic

Prior to the effects of the COVID-19 pandemic, domestic revenue results were strong with January and February revenue nearly 10% higher than the prior year period. However, due to the decrease in customer demand beginning in March, unit revenue for the March 2020 quarter decreased 16.0% with capacity down 1.1% (with March month capacity down 18.1%) compared to the prior year period. We expect this significantly lower demand environment to continue in the June 2020 quarter and possibly beyond, and are planning for our capacity to be approximately 80 percent lower in the June 2020 quarter than the June 2019 quarter.

International

Passenger revenue related to our international regions decreased 21.7% year-over-year due to decreased demand as a result of the COVID-19 pandemic. The reductions in revenue and capacity discussed below were a result of reduced demand and government travel directives limiting or suspending air travel due to the spread of COVID-19. We expect this demand environment to continue in the June 2020 quarter and possibly beyond.

Atlantic. Unit revenue decreased 13.3% on a capacity reduction of 12.1% in the March 2020 quarter (with March month capacity down 44.9%) compared to the prior year period. We are planning for our capacity in the June 2020 quarter to be approximately 95 percent lower than the June 2019 quarter.

Latin America. Unit revenue decreased 5.6% on a capacity reduction of 5.9% in the March 2020 quarter (with March month capacity down 27.2%) compared to the prior year period. We are planning for our capacity in the June 2020 quarter to be approximately 90 percent lower than the June 2019 quarter.

Pacific. Unit revenue decreased 9.3% on a capacity reduction of 26.5% in the March 2020 quarter (with March month capacity down 58.7%) compared to the prior year period. We are planning for our capacity in the June 2020 quarter to be approximately 85 percent lower than the June 2019 quarter. Also, as previously announced, in March 2020 we transferred our U.S.-Tokyo services from Narita to Haneda airport, Tokyo's preferred airport for corporate customers.

In each of these regions we continue to monitor government travel directives and customer demand and will adjust flight schedules accordingly. The length and severity of the reduction in demand due to the COVID-19 pandemic is uncertain. We expect these trends in revenue to continue until the global pandemic has moderated and demand for air travel returns.

Prior to the COVID-19 pandemic, we completed two transactions to further strengthen our partnerships. In the Atlantic region, effective January 2020 we combined our separate transatlantic joint venture agreements with Air France-KLM and Virgin Atlantic into a single three-party transatlantic joint venture. This enhanced joint venture will strengthen collaboration between the three airlines and will provide customers with increased access to destinations across North America, the U.K. and Europe. In the Latin America region, in January 2020, we completed the tender offer to acquire 20% of the shares of LATAM as part of our plan to enter into a strategic alliance. Additionally in the March 2020 quarter we started codesharing for certain flights operated by LATAM. This alliance is expected to generate new growth opportunities, building upon Delta's and LATAM's global footprint and joint ventures.

Other Revenue

(in millions)	Three Months Ended March 31,			
	2020	2019	Increase (Decrease)	% Increase (Decrease)
Loyalty program	\$ 474	\$ 474	\$ —	— %
Ancillary businesses and refinery	223	369	(146)	(39.6) %
Miscellaneous	174	183	(9)	(4.9) %
Total other revenue	\$ 871	\$ 1,026	\$ (155)	(15.1) %

Loyalty Program. Loyalty program revenues relate to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-travel awards. These revenues are mainly driven by customer spend on American Express cards, which did not experience the same decline in demand as air travel during the quarter.

Ancillary Businesses and Refinery. Ancillary businesses and refinery includes aircraft maintenance services we provide to third parties, our vacation wholesale operations and refinery sales to third parties. Refinery sales to third parties, which are at or near cost, decreased \$49 million compared to the March 2019 quarter. The March 2019 quarter results also included \$52 million of revenue from Delta Private Jets, which was combined with Wheels Up in January 2020 and is no longer reflected in ancillary businesses and refinery.

Miscellaneous. Miscellaneous revenue is primarily composed of lounge access and codeshare revenues.

Operating Expense

(in millions)	Three Months Ended March 31,			
	2020	2019	Increase (Decrease)	% Increase (Decrease)
Salaries and related costs	\$ 2,771	\$ 2,639	\$ 132	5.0 %
Aircraft fuel and related taxes	1,595	1,978	(383)	(19.4)%
Regional carriers expense, excluding fuel	902	893	9	1.0 %
Depreciation and amortization	678	615	63	10.2 %
Contracted services	675	632	43	6.8 %
Aircraft maintenance materials and outside repairs	469	476	(7)	(1.5)%
Landing fees and other rents	467	419	48	11.5 %
Passenger commissions and other selling expenses	358	427	(69)	(16.2)%
Passenger service	257	271	(14)	(5.2)%
Ancillary businesses and refinery	219	351	(132)	(37.6)%
Aircraft rent	100	102	(2)	(2.0)%
Profit sharing	—	220	(220)	(100.0)%
Other	511	429	82	19.1 %
Total operating expense	\$ 9,002	\$ 9,452	\$ (450)	(4.8)%

Salaries and Related Costs. The increase in salaries and related costs is primarily due to pay rate increases for eligible employees implemented in the December 2019 quarter. As a result of decreased demand for air travel due to the COVID-19 pandemic, we have instituted a hiring freeze, reduced salaries by 50% and 25% for our officer and director level employees, respectively, and reduced work hours by 25% for all other management and most front-line employee work groups for the June 2020 quarter. In addition, approximately 35,000 of our employees will take a voluntary unpaid leave of absence for periods ranging from 30 days up to 12 months beginning in the June 2020 quarter. As a result, we expect salaries and related costs to decline in future periods versus the comparable prior year period.

Aircraft Fuel and Related Taxes. Fuel expense decreased \$383 million compared to the prior year quarter primarily due to an approximately 8% decrease in the market price per gallon of jet fuel and a 8% decrease in consumption. We expect consumption in future quarters to decline further, in line with the expected capacity reductions discussed above.

The table below shows the impact of hedging and the refinery on fuel expense and average price per gallon, adjusted (non-GAAP financial measures):

(in millions, except per gallon data) ⁽¹⁾	Three Months Ended March 31,			Average Price Per Gallon		
	2020			2019		
	2020	2019	Increase (Decrease)	2020	2019	Increase (Decrease)
Fuel purchase cost ⁽²⁾	\$ 1,631	\$ 1,936	\$ (305)	\$ 1.85	\$ 2.01	\$ (0.16)
Fuel hedge impact	(7)	8	(15)	(0.01)	0.01	(0.02)
Refinery segment impact	(29)	34	(63)	(0.03)	0.04	(0.07)
Total fuel expense	\$ 1,595	\$ 1,978	\$ (383)	\$ 1.81	\$ 2.06	\$ (0.25)
MTM adjustments and settlements ⁽³⁾	7	(8)	15	0.01	(0.01)	0.02
Delta Private Jets adjustment ⁽⁴⁾	—	(7)	7	—	(0.01)	0.01
Total fuel expense, adjusted	\$ 1,602	\$ 1,963	\$ (361)	\$ 1.82	\$ 2.04	\$ (0.22)

⁽¹⁾ This reconciliation may not calculate exactly due to rounding.

⁽²⁾ Market price for jet fuel at airport locations, including related taxes and transportation costs.

⁽³⁾ Mark-to-market ("MTM") adjustments and settlements include the effects of the derivative transactions disclosed in Note 6 of the Notes to the Condensed Consolidated Financial Statements. For additional information and the reason for adjusting fuel expense, see "Supplemental Information" below.

⁽⁴⁾ Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

Regional carriers expense, excluding fuel. Expenses associated with the regional carriers is dependent on our capacity and utilization of these carriers. We expect regional carriers expense to decline in future quarters due to the capacity reductions discussed above.

Passenger Commissions and Other Selling Expenses. The decrease in passenger commissions and other selling expenses is primarily related to the significant reduction in demand for travel beginning in March 2020 due to the impact of the COVID-19 pandemic.

Ancillary Businesses and Refinery. Ancillary businesses and refinery includes expenses associated with aircraft maintenance services we provide to third parties, our vacation wholesale operations and refinery sales to third parties. Refinery sales to third parties, which are at or near cost, decreased \$49 million compared to the March 2019 quarter. In addition, costs related to services performed by Delta Private Jets in the March 2019 quarter were recorded in ancillary businesses and refinery prior to the combination of that business with Wheels Up in January 2020.

Profit Sharing. Our profit sharing program pays 10% to all eligible employees for the first \$2.5 billion of annual profit and 20% of annual profit above \$2.5 billion. The decrease in profit sharing is due to the current expectations for a pre-tax loss in 2020 compared to expectations for pre-tax income in the March 2019 quarter.

Other. The increase in other expense is primarily driven by costs resulting from our decision in January 2020 to launch new uniforms for flight attendants and above-wing customer service agents.

CARES Act. In April 2020, we were granted \$5.4 billion in emergency relief through the payroll support program of the CARES Act to be paid in installments through July 2020. The relief payments are conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include prohibitions on share repurchases and dividends through September 30, 2021, continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation. The relief payments include \$3.8 billion in grants and \$1.6 billion in an unsecured 10-year low interest loan. The loan includes annual interest rates of 1.00% for the first five years (through April 2025) and the Secured Overnight Financing Rate ("SOFR") plus 2.00% in the final five years. In return, we have agreed to issue to the U.S. Department of the Treasury over 6.5 million warrants to acquire Delta common stock. These warrants include an exercise price of \$24.39 per share and have a five-year term. We expect to recognize a portion of the grant as contra-operating expense.

Non-Operating Results

(in millions)	Three Months Ended March 31,		
	2020	2019	Favorable (Unfavorable)
Interest expense, net	\$ (79)	\$ (83)	\$ 4
Gain/(loss) on investments, net	(112)	100	(212)
Miscellaneous, net	(6)	(91)	85
Total non-operating expense, net	\$ (197)	\$ (74)	\$ (123)

Interest expense. Interest expense decreased compared to the prior year period as a result of lower interest rates on our debt. As a result of the financing activities entered into in March 2020 and expectations for future financings in the June 2020 quarter, our debt balance has increased and we expect interest expense to increase in future quarters.

Gain/(loss) on investments. Gain/(loss) on investments reflects the gains and losses on our equity investments. The decrease compared to the prior year period results from unrealized losses in our equity investments in international airlines, which experienced significant market declines during the March 2020 quarter due to the global travel restrictions from the COVID-19 pandemic. See Note 5 of the Notes to the Condensed Consolidated Financial Statements for additional information on our equity investments.

Miscellaneous. Miscellaneous, net is primarily composed of our proportionate share of earnings/losses from our equity investments in Virgin Atlantic and Grupo Aeroméxico, pension and related expense, charitable contributions and foreign exchange gains/losses. Our equity investment financial results and foreign exchange gains/losses vary and impact the comparability of miscellaneous, net from period to period. The favorability compared to the prior year period is primarily due to the \$240 million gain recognized as a result of the combination of Delta Private Jets with Wheels Up in January 2020, offset by equity investment losses.

Income Taxes

We project that our annual effective tax rate for 2020 will be between 18% and 22%. In certain interim periods, we may have adjustments to our net deferred tax liabilities as a result of changes in prior year estimates and tax laws enacted during the period, which will impact the effective tax rate for that interim period.

Refinery Segment

The refinery operated by our subsidiary Monroe Energy, LLC ("Monroe") primarily produces gasoline, diesel and jet fuel. Monroe exchanges the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. Historically, the jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery provided approximately 200,000 barrels per day, or approximately 75% of our consumption, for use in our airline operations. We believe that the jet fuel supply resulting from the refinery's operation contributes to reducing the market price of jet fuel and thus lowers our cost of jet fuel compared to what it otherwise would be.

The refinery's production has also been altered by the dramatic change in economic conditions caused by the COVID-19 pandemic. In future periods, the refinery expects to operate at 60% – 90% of normal production levels, largely due to the significant drop in the demand for jet fuel. Additionally, due to the drop in demand for jet fuel, we are shifting our production to produce more non-jet fuel products. Those non-jet fuel products will continue to be exchanged for jet fuel to the extent that we can balance refinery sales with jet fuel demand.

The refinery recorded operating revenue of \$1.2 billion in the three months ended March 31, 2020, compared to \$1.3 billion in the three months ended March 31, 2019. Operating revenue in the three months ended March 31, 2020 was primarily composed of \$831 million of non-jet fuel products exchanged with third parties to procure jet fuel, \$210 million of sales of jet fuel to the airline segment and \$143 million of non-jet fuel product sales. Refinery revenues decreased compared to the prior year period due to lower costs of crude oil leading to lower pricing for associated refined products, partially offset by higher refinery run rates during the quarter.

The refinery recorded operating income of \$29 million in the three months ended March 31, 2020, compared to operating loss of \$34 million in the three months ended March 31, 2019.

A refinery is subject to annual U.S. Environmental Protection Agency requirements to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase renewable energy credits, called Renewable Identification Numbers ("RINs"), from third parties in the secondary market. The Monroe refinery purchases the majority of its RINs requirement in the secondary market.

For more information regarding the refinery's results, see Note 11 of the Notes to the Condensed Consolidated Financial Statements.

Operating Statistics

Consolidated ⁽¹⁾	Three Months Ended March 31,		% Increase (Decrease)
	2020	2019	
Revenue passenger miles (in millions)	43,062	51,617	(16.6) %
Available seat miles (in millions)	58,885	62,416	(5.7) %
Passenger mile yield	17.58 ¢	17.93 ¢	(2.0) %
PRASM	12.85 ¢	14.83 ¢	(13.3) %
TRASM	14.59 ¢	16.78 ¢	(13.1) %
TRASM, adjusted ⁽²⁾	14.59 ¢	16.63 ¢	(12.3) %
CASM	15.30 ¢	15.14 ¢	1.0 %
CASM-Ex ⁽²⁾	12.58 ¢	11.49 ¢	9.5 %
Passenger load factor	73.1 %	82.7 %	(9.6) pts
Fuel gallons consumed (in millions)	880	962	(8.5) %
Average price per fuel gallon ⁽³⁾	\$ 1.81	\$ 2.06	(12.1) %
Average price per fuel gallon, adjusted ⁽³⁾⁽⁴⁾	\$ 1.82	\$ 2.04	(11.0) %

⁽¹⁾ Includes the operations of our regional carriers under capacity purchase agreements.

⁽²⁾ Non-GAAP financial measure defined and reconciled to TRASM and CASM, respectively, in "Supplemental Information" below.

⁽³⁾ Includes the impact of fuel hedge activity and refinery segment results.

⁽⁴⁾ Non-GAAP financial measure defined and reconciled to average fuel price per gallon in "Results of Operations" for the three months ended March 31, 2020 and 2019.

Fleet Information

To align capacity with customer demand as a result of the COVID-19 pandemic we are working with OEMs to optimize the timing of our future aircraft deliveries and expect to remove from active service over 650 mainline and regional aircraft until demand recovers. As of March 31, 2020, we have temporarily parked approximately 400 aircraft and permanently parked 28 aircraft.

During the March 2020 quarter, we recorded a \$22 million impairment charge related to accelerating the planned retirement of the MD-88 fleet from December 2020 to the end of July 2020, which resulted in a reduction in forecasted cash flows. As we obtain greater clarity around the duration and extent of reduced demand and potentially execute further capacity adjustments, we will continue to evaluate our current fleet compared to network requirements and may decide to permanently retire additional aircraft.

Prior to the onset of the pandemic and our decision to work with OEMs to optimize the timing of our future aircraft deliveries, we took delivery of eight mainline aircraft and two CRJ-900 aircraft in the March 2020 quarter.

Our operating aircraft fleet, commitments and options at March 31, 2020 are summarized in the following table:

Aircraft Type	Active Fleet ⁽¹⁾			Temporarily Parked Fleet ⁽¹⁾			Total	Average Age	Commitments	
	Owned	Finance Lease	Operating Lease	Owned	Finance Lease	Operating Lease			Purchase	Options
B-717-200	11	16	38	2	11	13	91	18.6	—	—
B-737-700	6	—	—	4	—	—	10	11.2	—	—
B-737-800	49	3	—	24	1	—	77	18.6	—	—
B-737-900ER	58	—	31	30	—	11	130	3.6	—	—
B-757-200	48	6	—	44	2	—	100	22.6	—	—
B-757-300	10	—	—	6	—	—	16	17.1	—	—
B-767-300ER	14	—	—	42	—	—	56	23.8	—	—
B-767-400ER	9	—	—	12	—	—	21	19.3	—	—
B-777-200ER	5	—	—	3	—	—	8	20.3	—	—
B-777-200LR	4	—	—	6	—	—	10	11.0	—	—
A220-100	27	4	—	—	—	—	31	0.8	14	—
A220-300	—	—	—	—	—	—	—	—	50	50
A319-100	41	—	1	14	—	1	57	18.1	—	—
A320-200	34	—	3	24	—	1	62	24.6	—	—
A321-200	38	14	21	17	—	10	100	1.9	27	—
A321-200neo	—	—	—	—	—	—	—	—	100	100
A330-200	3	—	—	8	—	—	11	15.0	—	—
A330-300	14	—	2	14	—	1	31	11.2	—	—
A330-900neo	3	1	—	1	—	—	5	0.6	32	—
A350-900	8	—	—	5	—	—	13	2.1	26	—
MD-88	18	—	—	—	—	—	18	29.0	—	—
MD-90	9	—	—	18	—	—	27	22.8	—	—
Total	409	44	96	274	14	37	874	14.9	249	150

⁽¹⁾ Excludes certain aircraft we own, lease or have committed to purchase (including four CRJ-900 aircraft) that are operated by regional carriers on our behalf shown in the table below.

We have agreed to acquire four A350 aircraft from LATAM and assumed ten of LATAM's A350 purchase commitments from Airbus, with deliveries through 2025, which are included as purchase commitments in the table above. For more information regarding our planned strategic alliance with LATAM, see Note 5, "Investments", of the Notes to the Condensed Consolidated Financial Statements.

The table below summarizes the aircraft operated by regional carriers on our behalf at March 31, 2020. Of this fleet, we have temporarily parked approximately 60 aircraft as of March 31, 2020 and plan to temporarily park an additional 80 aircraft during the June 2020 quarter. The majority of these temporarily parked aircraft will come from our Endeavor fleet but will also include aircraft operated by SkyWest and Republic.

In April 2020, Compass and GoJet ceased operations on our behalf. Our contracts with each of these carriers were previously scheduled to terminate by the end of 2020. We expect that another carrier will fly the aircraft that were previously operated by Compass and GoJet but have not yet made definitive plans due to the capacity reductions resulting from the COVID-19 pandemic.

Carrier	Fleet Type					Total
	CRJ-200	CRJ-700	CRJ-900	Embraer 170	Embraer 175	
Endeavor Air, Inc. ⁽¹⁾	42	14	120	—	—	176
SkyWest Airlines, Inc.	76	8	43	—	62	189
Republic Airline, Inc.	—	—	—	22	37	59
Compass Airlines, Inc.	—	—	—	—	12	12
GoJet Airlines, LLC	—	6	—	—	—	6
Total	118	28	163	22	111	442

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

Financial Condition and Liquidity

As a result of the COVID-19 pandemic, we have taken, and are continuing to take, certain actions to increase liquidity and strengthen our financial position which include:

- Reducing planned capital expenditures by approximately \$3.5 billion, including working with original equipment manufacturers ("OEM") to optimize the timing of our future aircraft deliveries, delaying aircraft modifications and postponing certain information technology initiatives and replacement of ground equipment.
- Drawing \$3.0 billion from our previously undrawn revolving credit facilities.
- Entering into a \$2.7 billion secured term loan facility during the March 2020 quarter with an accordion feature that allowed us to increase the facility to \$3.0 billion during April 2020.
- Entering into \$150 million of loans secured by certain of our widebody aircraft. In addition, during April 2020, we have entered into an additional \$1.2 billion of sale-leaseback transactions for certain aircraft and are pursuing other financing initiatives.
- Suspending future share repurchases and dividends.
- Delaying \$500 million of planned voluntary pension funding.
- Receiving assistance under the CARES Act, which will be available beginning in the June 2020 quarter. In April 2020 we were granted \$5.4 billion in emergency relief payments under the payroll support program and are evaluating participation in the loan program. On April 20, 2020, we received the first installment of \$2.7 billion under the payroll support program. The CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This is expected to provide us with approximately \$200 million of additional liquidity during the current year.

We expect to meet our cash needs for the next twelve months with cash and cash equivalents, financing arrangements, government assistance from the CARES Act, restricted cash equivalents and cash flows from operations. As of March 31, 2020, we had \$6.0 billion in unrestricted liquidity, consisting of \$6.0 billion in cash and cash equivalents and \$21 million in available revolving credit facilities. Additionally, we have at least \$15 billion of unencumbered assets available for potential financing arrangements if needed. During the three months ended March 31, 2020, we used existing cash, cash received from financings and cash generated from operations to fund capital expenditures of \$937 million and return \$604 million to shareholders prior to the materialization of the pandemic impact. Beginning in the second half of March 2020, capital expenditures have been limited to only those critical to our operation. In addition, share repurchases and dividends have been suspended indefinitely.

Sources of Liquidity

Operating Activities

Operating activities in the three months ended March 31, 2020 provided \$358 million compared to providing \$1.9 billion in the three months ended March 31, 2019. Due to the impact of COVID-19 on our ticket purchases, we expect to experience negative cash flows from operations through the June 2020 quarter and possibly beyond.

Our operating cash flow is 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 typically increases during the winter and spring as advanced ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. However, the current reduction in demand for air travel due to the COVID-19 pandemic has resulted in an unprecedented low level of advance bookings and the associated cash received. At the same time, we have experienced significant cancellations beginning in the second half of March, which has led to issuance of refunds to customers, while the remainder have been rebooked on future flights or received credits in lieu of cash refunds. The total value of refunds, excluding taxes and related fees, issued to customers during the March 2020 quarter was approximately \$850 million. The outlook for the remainder of the year is unclear, but we are currently planning for a modest demand recovery beginning in the September 2020 quarter.

Fuel. Fuel expense represented approximately 18% of our total operating expenses for the three months ended March 31, 2020. The market price for jet fuel is volatile, which can impact the comparability of our periodic cash flows from operations. We expect fuel consumption to decline consistent with the capacity reductions we are making in response to the pandemic.

Pension Contributions. We have no minimum funding requirements in 2020. As part of our liquidity initiatives, we are delaying \$500 million of voluntary pension funding that we were previously planning for 2020. We had no minimum funding requirements in 2019. However, during 2019, we voluntarily contributed \$1 billion to these plans.

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 adjusted for profit sharing and certain other items. During the three months ended March 31, 2020, we did not accrue profit sharing expense based on the year-to-date performance and current expectations for a pre-tax loss in 2020 due to the pandemic.

We paid \$1.6 billion in profit sharing in February 2020 related to our 2019 pre-tax profit in recognition of our employees' contributions toward meeting our financial goals.

Investing Activities

Capital Expenditures. Our capital expenditures were \$937 million and \$1.4 billion for the three months ended March 31, 2020 and 2019, respectively. Our capital expenditures during the three months ended March 31, 2020 were primarily related to the purchases of aircraft, fleet modifications and technology enhancements that happened prior to the COVID-19 pandemic.

We have committed to future aircraft purchases and have obtained, but are under no obligation to use, long-term financing commitments for a substantial portion of the purchase price of certain aircraft; however we are working with the OEMs to optimize the timing of our future aircraft deliveries. In order to preserve liquidity throughout the COVID-19 pandemic, we will be deferring substantially all of our previously planned 2020 capital expenditures. Our expected 2020 investments total \$1.2 billion, of which \$937 million was in the March quarter and substantially all occurred before the steps taken to mitigate the impact of the COVID-19 pandemic. Planned investments for the remainder of the year are limited to those critical to our operation.

In October 2019, the Office of the U.S. Trade Representative announced a 10% tariff on new aircraft imported from Europe, which was subsequently increased to 15% in February 2020. We are continuing to evaluate the impact of this announcement on our future Airbus deliveries.

Equity Investments. In 2019, we announced our plan to enter into a strategic alliance with LATAM as well as acquire up to a 20% interest through a tender offer. In January 2020, we acquired 20% of the shares of LATAM for \$1.9 billion, or \$16 per share. In addition, to support the establishment of the strategic alliance, we will invest \$350 million, \$200 million of which was disbursed in 2019. As part of our planned strategic alliance with LATAM, we have also agreed to acquire four A350 aircraft from LATAM and assumed ten of LATAM's A350 purchase commitments with Airbus for deliveries through 2025. This alliance is expected to generate new growth opportunities, building upon Delta's and LATAM's global footprint and joint ventures.

We sold our GOL ownership stake in 2019 and are winding down our commercial agreements with GOL to facilitate the formation of our strategic alliance with LATAM. Additionally, GOL has a \$300 million five-year term loan facility with third parties maturing in August 2020, which we have guaranteed. Based on market value at March 31, 2020, approximately 50% of our guaranty is secured by GOL's ownership interest in Smiles, GOL's publicly traded loyalty program. Because GOL remains in compliance with the terms of its loan facility, we have not recorded a liability for the term loan on our balance sheet as of March 31, 2020. However, as the COVID-19 pandemic continues to impact the global economy, there is an increased risk related to GOL's ability to repay this term loan, which may require our performance under this guarantee. Therefore, we have recorded an immaterial reserve in other accrued liabilities related to the decline in value of our security interest in GOL's Smiles shares.

Over a three week period, concluding March 9, 2020, we acquired through open market transactions an additional 5% of the outstanding shares of Hanjin-KAL, the largest shareholder of Korean Air, for \$158 million.

Los Angeles International Airport ("LAX") Construction. We executed a modified lease agreement during 2016 with the City of Los Angeles ("the City"), which owns and operates LAX, and announced plans to modernize, upgrade and connect Terminals 2 and 3 at LAX. Under the lease agreement, we have relocated certain airlines and other tenants from Terminals 2 and 3 to Terminals 5 and 6 and undertaken various initial projects to enable operations from Terminals 2 and 3 during the project. We are now designing and constructing the redevelopment of Terminal 3 and enhancement of Terminal 2, which also includes rebuilding the ticketing and arrival halls and security checkpoint, construction of core infrastructure to support the City's planned airport people mover, ramp improvements and construction of a secure connector to the north side of the Tom Bradley International Terminal. Construction is expected to be completed by 2024.

Under the lease agreement and subsequent project component approvals by the City's Board of Airport Commissioners, the City has appropriated to date approximately \$1.6 billion to purchase completed project assets. The lease allows for a maximum reimbursement by the City of \$1.8 billion. Costs we incur in excess of such a maximum will not be reimbursed by the City.

A substantial majority of the project costs will be funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using an \$800 million revolving credit facility provided by a group of lenders. The credit facility was executed during 2017 and amended in 2019, and we have guaranteed the obligations of the RAIC under the credit facility. Loans made under the credit facility are being repaid with the proceeds from the City's purchase of completed project assets. Using funding provided by cash flows from operations and/or the credit facility, we expect to spend approximately \$200 million on this project during 2020, of which \$28 million was incurred in the three months ended March 31, 2020.

New York-LaGuardia Redevelopment. As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority of New York and New Jersey ("Port Authority") to replace Terminals C and D with a new state-of-the-art terminal facility consisting of 37 gates across four concourses connected to a central headhouse. The terminal will feature a new, larger Delta Sky Club, wider concourses, more gate seating and 30 percent more concessions space than the existing terminals. The facility will also offer direct access between the parking garage and terminal and improved roadways and drop-off/pick-up areas. The design of the new terminal will integrate sustainable technologies and improvements in energy efficiency. Construction will be phased to limit passenger inconvenience and is expected to be completed by 2026.

In connection with the redevelopment, during 2017, we entered into an amended and restated terminal lease with the Port Authority with a term through 2050. Pursuant to the lease agreement, as amended to date, we will (1) fund (through debt issuance and existing cash) and undertake the design, management and construction of the terminal and certain off-premises supporting facilities, (2) receive a Port Authority contribution of \$481 million to facilitate construction of the terminal and other supporting infrastructure, (3) be responsible for all operations and maintenance during the term of the lease and (4) have preferential rights to all gates in the terminal, subject to Port Authority requirements with respect to accommodation of designated carriers.

In 2019, we opened Concourse G, the first of the four new concourses housing seven of the 37 new gates. Not only does this deliver the first direct impact to the Delta passenger experience, it also represents the first major phasing milestone. This new concourse allowed us to vacate portions of the existing terminals which have been demolished and made ready for the next phase of construction. The next major milestone will be the opening of the headhouse and Concourse E, which is scheduled for 2022.

In 2020, the Port Authority and Delta agreed to certain deletions and modifications to the scope of the project impacting the terminal canopy, expansion of a parking garage and a pedestrian bridge to that garage, representing an anticipated \$186 million reduction in scope. Accordingly, the Port Authority's original contribution of \$600 million was reduced to \$481 million to reflect its share of the modified scope. We currently expect our net project cost to be approximately \$3.5 billion, and we bear the risks of project construction, including any potential cost over-runs. Using primarily funding provided by existing financing arrangements, we expect to spend approximately \$675 million on this project during 2020, of which \$100 million was incurred in the three months ended March 31, 2020.

Financing Activities

Debt and Finance Leases. In the March 2020 quarter, we completed the following debt issuances:

- In March 2020, we entered into a \$2.7 billion 364-day secured term loan facility ("the facility"). Borrowings under the facility are secured by certain aircraft. The facility also contains an accordion feature under which the aggregate commitment can be increased to \$4.0 billion upon our request, provided that the new lenders agree to the existing terms of the facility. The facility contains covenants similar to our other existing borrowings. In April 2020, this loan was increased to \$3.0 billion.
- We completed a \$1.0 billion offering of Pass Through Certificates, Series 2020-1 ("2020-1 EETC") utilizing a pass through trust during March 2020. The proceeds of this issuance were used to pay unsecured notes maturing during the quarter.
- In March 2020, we drew \$3.0 billion from our previously undrawn revolving credit facilities.

The principal amount of debt and finance leases was \$16.8 billion at March 31, 2020. We continue to evaluate future financing opportunities, including leveraging our at least \$15 billion of unencumbered assets. In response to the impact that the demand environment has had on our financial condition, our credit rating has been downgraded by Standard & Poor's to BB in late March 2020 and by Fitch to BB+ in early April 2020.

CARES Act. On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. The CARES Act is a relief package intended to assist many aspects of the American economy, including providing the airline industry with up to \$25 billion in grants to be used for employee wages, salaries and benefits.

In April 2020, we were granted \$5.4 billion in emergency relief through the payroll support program of the CARES Act to be paid in installments through July 2020. The relief payments are conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include prohibitions on share repurchases and dividends through September 30, 2021, continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation. The relief payments include \$3.8 billion in grants and \$1.6 billion in an unsecured 10-year low interest loan. The loan includes annual interest rates of 1.00% for the first five years (through April 2025) and the Secured Overnight Financing Rate ("SOFR") plus 2.00% in the final five years. In return, we have agreed to issue to the U.S. Department of the Treasury over 6.5 million warrants to acquire Delta common stock. These warrants include an exercise price of \$24.39 per share and have a five-year term.

On April 20, 2020, we received the first installment of \$2.7 billion under the payroll support program.

The CARES Act provides for up to \$25 billion in secured loans to the airline industry. We expect to be eligible for approximately \$4.6 billion under the loan program and are currently evaluating our level of participation.

Finally, the CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This is expected to provide us with approximately \$200 million of additional liquidity during the current year.

Capital Return to Shareholders. During the three months ended March 31, 2020, we repurchased and retired 6 million shares of our common stock at a cost of \$344 million.

In the March 2020 quarter, prior to the declaration of the COVID-19 pandemic, the Board of Directors approved and we paid a quarterly dividend of \$0.4025 per share, for total cash dividends of \$260 million. In early March 2020, we suspended both our share repurchase program and future dividends due to the impact of the pandemic.

Undrawn Lines of Credit

During the March 2020 quarter, we drew \$3.0 billion on our revolving credit facilities and had \$21 million undrawn as of March 31, 2020. These credit facilities include covenants customary for financing of this type. If we are not in compliance with these covenants, we may be required to repay amounts borrowed under the credit facilities.

Covenants

We were in compliance with the covenants in our financing agreements at March 31, 2020.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the "Critical Accounting Policies and Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K and Note 2, "Impact of the COVID-19 Pandemic," for discussion about the valuation of goodwill, indefinite-lived intangible assets and long-lived assets.

Recent Accounting Standards

Credit Losses. In 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." Under this ASU, an entity is required to utilize an "expected credit loss model" on certain financial instruments, including trade and financing receivables. This model requires consideration of a broader range of reasonable and supportable information and requires an entity to estimate expected credit losses over the lifetime of the asset. We adopted this standard effective January 1, 2020 and due to the COVID-19 pandemic, we recorded reserves against certain of our outstanding financial instruments that were not material individually or in the aggregate.

Supplemental Information

We sometimes use information ("non-GAAP financial measures") that is derived from the Condensed 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 reconciliations presented below of the non-GAAP measures used in this 10-Q may not calculate exactly due to rounding.

Pre-tax (loss)/income, adjusted

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

- *MTM adjustments and settlements on hedges.* Mark-to-market ("MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period. Settlements represent cash received or paid on hedge contracts settled during the applicable period.
- *Equity investment MTM adjustments.* We record our proportionate share of earnings/loss from our equity investments in Virgin Atlantic and Grupo Aeroméxico in non-operating expense. We adjust for our equity method investees' hedge portfolio MTM adjustments to allow investors to better understand and analyze our core operational performance in the periods shown.
- *MTM adjustments on investments.* Unrealized gains/losses on our equity investments in GOL, China Eastern, Air France-KLM and Hanjin-KAL, the largest shareholder of Korean Air, which are accounted for at fair value in non-operating expense, are driven by changes in stock prices and foreign currency. Adjusting for these gains/losses allows investors to better understand and analyze our core operational performance in the periods shown.
- *Delta Private Jets adjustment.* Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

(in millions)	Three Months Ended March 31,	
	2020	2019
Pre-tax (loss)/income	\$ (607)	\$ 946
Adjusted for:		
MTM adjustments and settlements on hedges	(7)	8
Equity investment MTM adjustments	69	(21)
MTM adjustments on investments	123	(100)
Delta Private Jets adjustment	—	(1)
Pre-tax (loss)/income, adjusted	\$ (422)	\$ 831

TRASM, adjusted

The following table shows a reconciliation of TRASM (a GAAP measure) to TRASM, adjusted (a non-GAAP financial measure). We adjust TRASM for the following items to determine TRASM, adjusted for the reasons described below.

- *Third-party refinery sales.* We adjust TRASM for refinery sales to third parties to determine TRASM, adjusted because these revenues are not related to our airline segment. TRASM, adjusted therefore provides a more meaningful comparison of revenue from our airline operations to the rest of the airline industry.
- *Delta Private Jets adjustment.* Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

	Three Months Ended March 31,	
	2020	2019
TRASM	14.59 ¢	16.78 ¢
Adjusted for:		
Third-party refinery sales	—	(0.08)
Delta Private Jets adjustment	—	(0.07)
TRASM, adjusted	14.59 ¢	16.63 ¢

CASM-Ex

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

- *Aircraft fuel and related taxes.* The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.
- *Third-party refinery sales.* We adjust CASM for refinery sales to third parties to determine CASM-Ex because these revenues are not related to our airline segment. CASM-Ex therefore provides a more meaningful comparison of revenue from our airline operations to the rest of the airline industry.
- *Profit sharing.* We adjust for profit sharing because this adjustment 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.
- *Delta Private Jets adjustment.* Because we combined Delta Private Jets with Wheels Up in January 2020, we have excluded the impact of Delta Private Jets from 2019 results for comparability.

	Three Months Ended March 31,	
	2020	2019
CASM	15.30 ¢	15.14 ¢
Adjusted for:		
Aircraft fuel and related taxes	(2.72)	(3.17)
Third-party refinery sales	—	(0.08)
Profit sharing	—	(0.35)
Delta Private Jets adjustment	—	(0.05)
CASM-Ex	12.58 ¢	11.49 ¢

Free Cash Flow

We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Adjustments include:

- *Net redemptions of short-term investments.* Net redemptions of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.
- *Strategic investments.* Cash flows related to our investments in LATAM and Hanjin-KAL, the largest shareholder of Korean Air, are included in our GAAP investing activities. We adjust free cash flow for this activity because it provides a more meaningful comparison to the airline industry.
- *Net cash flows related to certain airport construction projects and other.* Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items, which were primarily funded by cash restricted for airport construction, to provide investors a better understanding of the company's free cash flow and capital expenditures that are core to our operational performance in the periods shown.

(in millions)	Three Months Ended March 31,	
	2020	2019
Net cash provided by operating activities	\$ 358	\$ 1,942
Net cash used in investing activities	(2,971)	(1,096)
Adjusted for:		
Net redemptions of short-term investments	—	(206)
Strategic investments	2,099	—
Net cash flows related to certain airport construction projects and other	353	111
Total free cash flow	\$ (161)	\$ 751

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Form 10-K.

ITEM 4. 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 effectively identify and timely disclose important information. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of March 31, 2020 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.

During the three months ended March 31, 2020, 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.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

"Item 3. Legal Proceedings" of our Form 10-K includes a discussion of our legal proceedings. There have been no material changes from the legal proceedings described in our Form 10-K.

ITEM 1A. RISK FACTORS

"Item 1A. Risk Factors" of our Form 10-K includes a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information disclosed in our Form 10-K. Except as presented below, there have been no material changes from the risk factors described in our Form 10-K.

The rapid spread of the COVID-19 virus and measures implemented to combat it are having, and are likely to continue to have, a material adverse effect on our business. Moreover, the longer the pandemic persists, the more material the ultimate effects are likely to be. It is likely that there will be future negative effects that we cannot presently predict, including near term effects.

The rapid spread of COVID-19, as well as the escalating measures governments and private organizations have implemented in order to stem the spread of this pandemic, are having a material adverse effect on the demand for worldwide air travel, and consequently upon our business. Among other effects of the COVID-19 pandemic affecting air travel and our business:

- In the United States, which is our primary market, the government has placed significant restrictions on travel between the United States and specific countries, issued a mandate for U.S. citizens to avoid all international travel and has issued a travel advisory for residents of New York, New Jersey and Connecticut due to extensive community transmission of COVID-19 in the area;
- Many foreign governments have placed restrictions on citizens of other countries, including citizens of the U.S., flying into their countries;
- State or local governments have issued health-related curfews or "shelter in place" orders which dissuade or restrict air travel;
- Employers in both the public and private sectors have issued instructions to employees to work from home and/or otherwise dissuading or restricting air travel;
- Business conventions and conferences, significant sporting events, concerts and similar entertainment have been, and are continuing to be, cancelled, reducing the demand for both business air travel (which drives our most profitable ticket sales) and leisure air travel;
- Popular tourist destinations have been, and are continuing to be, closed, or operations are being curtailed, reducing the demand for leisure air travel;
- Travelers are discouraged from air travel to destinations where COVID-19 is particularly virulent;

- Travelers have indicated they are wary of airports and commercial aircraft, where they may view the risk of contagion as increased (and contagion or virus-related deaths linked or alleged to be linked to travel on our aircraft, whether accurate or not, may injure our reputation);
- Travelers may be dissuaded from flying due to possible enhanced COVID-19-related screening measures which are being implemented across multiple markets we serve; and
- Travelers may be dissuaded from flying due to the concern that additional travel restrictions implemented between their departure and return may affect their ability to return to their homes.

These effects related to the COVID-19 pandemic are negatively impacting air travel in general, which in turn are negatively affecting our revenues and results of operations. Moreover, additional currently unknown restrictions or other events dissuading air travel may occur in the future as a result of the pandemic (including possibly in the near term), lengthening the negative effects of the COVID-19 pandemic on our business.

Our operations could be negatively affected further if our employees are quarantined or sickened as a result of exposure to COVID-19, or if they are subject to governmental COVID-19 curfews or “shelter in place” health orders. Measures restricting the ability of our airport or inflight employees to come to work may cause a further deterioration in our service or operations, all of which could negatively affect our business.

In response to the crisis, we are taking certain steps to mitigate the effects on our business, which themselves may have negative consequences with respect to our business and operations. For example, we have significantly reduced our flight capacity. However, the cost savings achievable with temporary capacity reductions cannot be achieved immediately and will not completely eliminate the costs related to unused capacity.

Furthermore, we have waived air travel booking change fees to a broad extent and extended the ability to rebook that travel for up to two years in order to encourage travelers to book air travel (or not cancel already booked travel) despite the inherent uncertainty caused by the COVID-19 pandemic. Despite these efforts, we are experiencing significant ticket cancellations. Cancellations, the waiver of change fees and other refunds have negatively affected our revenues and liquidity, and we expect such negative effects to continue.

Other cost-saving measures that we are implementing or may consider, such as deferral of nonessential maintenance, capital expenditure reductions, hiring freezes, facility closures, deferral of pension funding and compensation reductions, are unlikely to entirely make-up for the loss in cash as result of decreased ticket sales and could also negatively affect our service to customers, revenues and results of operations. The pandemic is also having a material adverse effect on third parties whose services we utilize, including regional carriers in the Delta Connection program and providers of ground services at some airports, which may also negatively affect our service to customers.

We are unable to predict how long these conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on air travel and our business. Furthermore, not only is the duration of the pandemic and future correlative combative measures at present unknown, the overall situation is extremely fluid, and it is impossible to predict the timing of future material changes in the situation. It therefore is impossible to predict whether any such unknown future developments will occur in the near, medium or long terms, and depending on the duration of the pandemic, such negative developments may occur over the entirety of the event.

At this time we are also not able to predict whether the COVID-19 pandemic will result in permanent changes to our customers' behavior, with such changes including but not limited to a permanent reduction in business travel as a result of increased usage of "virtual" and "teleconferencing" products and more broadly a general reluctance to travel by consumers, each of which could have a material impact on our business.

All of the foregoing have had a material adverse effect on our business, results of operations and financial condition.

We have a significant amount of fixed obligations and have incurred significant new debt in a short period in response to the COVID-19 pandemic. Insufficient liquidity may have a material adverse effect on our financial condition and business.

We have a significant amount of existing fixed obligations, including aircraft lease and debt financings, leases of airport property and other facilities, and other material cash obligations. In response to the travel restrictions imposed as a result of the COVID-19 pandemic, decreased demand and other effects the outbreak of COVID-19 has had and is expected to have on our business, we have incurred and continue to seek significant amounts of additional liquidity in the short-term, through the issuance of additional debt securities as well as through bilateral and syndicated secured and/or unsecured credit facilities. In addition, we have substantial noncancelable commitments for capital expenditures, including for the acquisition of new aircraft and related spare engines.

Although our cash flows from operations and our available capital, including the proceeds from financing transactions, have been sufficient to meet these obligations and commitments to date, our future liquidity could be negatively affected by the risk factors discussed in this form 10-Q, in “Item 1A., Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and other filings we may make from time to time with the SEC. We had \$6.0 billion in unrestricted liquidity as of March 31, 2020 and have raised an additional \$1.6 billion through April 21, 2020. In addition, we are receiving cash from the U.S. government under the payroll support program of the CARES Act, including \$2.7 billion on April 20, 2020. If our liquidity is materially diminished, we might not be able to timely pay our leases and debts or comply with certain operating and financial covenants under our financing and credit card processing agreements or with other material provisions of our contractual obligations. In particular, under our credit card processing agreements, counterparties may require that we maintain a reserve equal to a portion of advanced ticket sales that have been processed by that financial institution, but for which we have not yet provided the air transportation. Such financial institutions may require additional cash or other collateral reserves to be established or additional withholding of payments related to receivables collected if we do not maintain certain minimum levels of liquidity.

Agreements governing our debt, including credit agreements, include financial and other covenants. Failure to comply with these covenants could result in events of default.

Our primary credit facility has various financial and other covenants that require us to maintain a minimum fixed charge coverage ratio and a minimum asset coverage ratio. Based on the reduction in demand that we are currently experiencing as a result of the COVID-19 pandemic and given the limited visibility to the future recovery of demand, there is a range of possible outcomes where our earnings could be reduced enough to result in a breach of the minimum fixed charge coverage ratio within the next year. If we anticipate a potential breach, we expect to seek an amendment or waiver from our lenders. There is no assurance that our efforts to obtain such an amendment or waiver would be successful.

We have other facilities, some of which are secured and also contain collateral coverage ratios. A decline in the value of our assets supporting these facilities from factors that are not under our control could affect one or more of the ratios. In addition, the credit facilities contain other negative covenants customary for such financings. These covenants are subject to important exceptions and qualifications. 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.

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 where applicable, repossess collateral, which may include aircraft or other valuable assets. 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. The acceleration of significant amounts of debt could require us to renegotiate, repay or refinance the obligations under the credit facilities or other financing arrangements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table presents information with respect to purchases of common stock we made during the March 2020 quarter. The total number of shares purchased includes shares repurchased pursuant to our \$5 billion share repurchase program, which was publicly announced on May 11, 2017 and will terminate no later than December 31, 2020. Some purchases made in the March 2020 quarter were made pursuant to a trading plan meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934. In March 2020, we suspended our share repurchase program due to the impact of the COVID-19 pandemic.

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. Performance Compensation Plan (the "Plan"). The 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
January 2020	2,780,349	\$ 58.59	2,780,349	\$ 930
February 2020	3,165,706	\$ 56.86	3,165,706	\$ 760
March 2020	738,722	\$ 46.99	738,722	\$ 730
Total	6,684,777		6,684,777	

ITEM 6. EXHIBITS

- (a) Exhibits
- 10.1 [364-Day Term Loan Credit Agreement, dated as of March 17, 2020, among Delta Air Lines, Inc., each of the Lenders party thereto, JP Morgan Chase Bank, N.A., as administrative and JP Morgan Chase Bank, N.A., as Sole Lead Arranger and Bookrunner](#)
 - 10.2 [Model Award Agreement for the Delta Air Lines, Inc. 2020 Long-Term Incentive Plan](#)
 - 10.3 [Description of Certain Benefits of Members of the Board of Directors and Executive Officers](#)
 - 15 [Letter from Ernst & Young LLP regarding unaudited interim financial information](#)
 - 31.1 [Certification by Delta's Chief Executive Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020](#)
 - 31.2 [Certification by Delta's Executive Vice President and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020](#)
 - 32 [Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by Delta's Chief Executive Officer and Executive Vice President and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020](#)
 - 101.INS Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
 - 101.SCH Inline XBRL Taxonomy Extension Schema Document
 - 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
 - 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
 - 101.LAB Inline XBRL Taxonomy Extension Labels Linkbase Document
 - 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document
 - 104 The cover page from this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL

SIGNATURE

Pursuant to the requirements 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.

Delta Air Lines, Inc.
(Registrant)

/s/ William C. Carroll

William C. Carroll
Senior Vice President - Finance and Controller
(Principal Accounting Officer)

April 22, 2020

364-DAY TERM LOAN CREDIT AGREEMENT

among

**DELTA AIR LINES, INC.,
as Borrower,**

**THE LENDERS PARTY HERETO,
and**

**JPMORGAN CHASE BANK, N.A.,
as Administrative Agent**

and

**JPMORGAN CHASE BANK, N.A.,
as Sole Lead Arranger and Bookrunner**

Dated as of March 17, 2020

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EXHIBIT D [Reserved]

EXHIBIT E Form of Borrowing Request

EXHIBIT F Form of Interest Election Request

364-DAY TERM LOAN CREDIT AGREEMENT

Dated as of March 17, 2020

364-DAY TERM LOAN CREDIT AGREEMENT, dated as of March 17, 2020, among DELTA AIR LINES, INC., a Delaware corporation (the “Borrower”), each of the several banks and other financial institutions or entities from time to time party hereto (the “Lenders”) and JPMORGAN CHASE BANK, N.A. (“JPMCB”), as administrative agent for the Lenders (together with its permitted successors in such capacity, the “Administrative Agent”).

INTRODUCTORY STATEMENT

The Borrower has applied to the Lenders for a 364-day term loan facility in an aggregate principal amount of \$2,300,000,000 as set forth herein, consisting of term loans to be funded on the Closing Date (as defined below) in an aggregate principal amount of \$1,150,000,000 and delayed draw term loans to be funded on each Delayed Draw Funding Date (as defined below) in an aggregate principal amount of up to \$1,150,000,000.

The proceeds of the Term Loans will be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries.

Accordingly, the parties hereto hereby agree as follows:

SECTION 1.

DEFINITIONS

SECTION 1.01. Defined Terms.

“ABR”, when used in reference to any Term Loan or Borrowing, refers to whether such Term Loan, or the Term Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Additional Pool Assets” shall mean (a) Routes and/or Slots of the Borrower or any Subsidiary, (b) Aircraft, airframes, engines, spare engines and Spare Parts of the Borrower or any Subsidiary and (c) other assets of the Borrower or any Subsidiary which shall be reasonably satisfactory to the Administrative Agent, in each case designated by the Borrower as “Additional Pool Assets”, and all of which assets shall be valued by a new Appraisal Report at the time the Borrower designates such assets as Additional Pool Assets.

“Administrative Agent” shall have the meaning set forth in the first paragraph of this Agreement.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, a Person (a “Controlled Person”) shall be deemed to be “controlled by” another Person (a “Controlling Person”) if the Controlling Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of the Controlled Person whether by contract or otherwise; provided that the PBGC shall not be an Affiliate of the Borrower.

“Agents” shall mean the Administrative Agent and the Arrangers.

“Agreement” shall mean this 364-Day Term Loan Credit Agreement, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time.

“Aggregate Exposure” shall mean, with respect to any Lender at any time, an amount equal to the sum of the aggregate then unpaid principal amount of such Lender’s Term Loans then outstanding plus unused Delayed Draw Term Loan Commitments plus unused Incremental Commitments.

“Aggregate Exposure Percentage” shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Aircraft” shall mean, collectively, airframes and aircraft engines now owned or hereafter acquired by the Borrower or a Subsidiary, together with all appliances, equipment, instruments, and accessories (including radio and radar, but excluding passenger convenience equipment) from time to time belonging to, installed in, or appurtenant to such airframes and aircraft engines; provided, however, the term “Aircraft” shall not include airframes and engines leased by the Borrower.

“Aircraft Protocol” shall mean the official English language text of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment adopted on November 16, 2001, at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Aircraft Protocol with respect to that country, the Aircraft Protocol as in effect in such country, unless otherwise indicated).

“Airport Authority” shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

“Alternate Base Rate” shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the sum of the one (1) month LIBO Rate in effect on such day (or, if such day is not a Business Day, the immediately preceding Business Day) plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the one (1) month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the one (1) month LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.09 hereof, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Appliance” shall mean an instrument, equipment, apparatus, a part, an appurtenance, or an accessory used, capable of being used, or intended to be used, in operating or controlling aircraft in flight, including a parachute, communication equipment, and another mechanism installed in or attached to aircraft during flight, and not a part of an aircraft, engine, or propeller (and shall include without limitation “appliances” as defined in 49 U.S.C. § 40102(a)(11)).

“Applicable Appraisal Discount Rate” shall mean, on the date of any valuation of Routes done in connection with an Appraisal Report, 9.0 %.

“Applicable Margin” shall mean the rate per annum determined pursuant to the Applicable Pricing Grid.

“Applicable Pricing Grid” shall mean the table set forth below:

<u>Level</u>	<u>Moody’s/S&P/Fitch Ratings</u>	<u>Applicable Margin for Eurodollar Term Loans</u>	<u>Applicable Margin for ABR Term Loans</u>
I	Baa3/BBB-/BBB- or better	2.00%	1.00%
II	Ba1/BB+/BB+ or worse	2.25%	1.25%

For the purposes of the foregoing, (a) if the Borrower shall not maintain a public Rating from at least two (2) Rating Agencies, the Rating shall be deemed to be Level II, (b) if the Borrower shall maintain a public Rating from only two (2) Rating Agencies and they are at different Levels, then Level I shall apply, (c) if the Borrower shall maintain a public Rating from all three (3) Rating Agencies, (i) if two (2) Ratings are Level I and the third Rating is Level II, Level I shall apply and (ii) if two (2) Ratings are Level II and the third Rating is Level I, Level II shall apply; provided that if the Ratings established by any Rating Agency shall be changed (other than as a result of a change in the rating system of such Rating Agency), such change shall be effective as of the date on which it is first announced by the applicable Rating Agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

“Appraisal Delivery Date” shall mean the date that is 14 days following the Closing Date (or such later date as reasonably agreed to by the Administrative Agent).

“Appraisal Report” shall mean (a) the Initial Appraisal Report and (b) any other appraisal prepared by an Appraiser, in form and substance reasonably satisfactory to the Administrative Agent, which certifies, at the time of determination, the Appraised Value of the Appraised Pool Assets described therein.

“Appraised Pool Assets” shall mean Pool Assets included in an Appraisal Report.

“Appraised Value” shall mean, as of any date of determination, (a) in the case of Appraised Pool Assets, the fair market value thereof as reflected in the most recent Appraisal Report obtained in respect of such Pool Assets in accordance with this Agreement (in the case of any Routes, utilizing the Applicable Appraisal Discount Rate) (provided that, prior to the date that the Initial Appraisal Report is delivered to the Administrative Agent in accordance with Section 5.10, the Appraised Value of the Pool Assets shall be deemed to be \$2,875,000,000) and (b) in the case of Investment Property (if any), (i) to the extent listed on a national security exchange, the market value thereof and (ii) otherwise, the book value thereof as reflected in the most recent Officer’s Certificate delivered pursuant to Section 5.01(f).

“Appraisers” shall mean, (a) Morten Beyer & Agnew, (b) BK Associates, Inc. and (c) such other appraisal firm or firms as may be retained by the Administrative Agent and the Borrower from time to time.

“ARB Indebtedness” shall mean, with respect to the Borrower or any of its Subsidiaries, without duplication, all Indebtedness or obligations of the Borrower or such Subsidiary created or arising with respect to any limited recourse revenue bonds issued for the purpose of financing or refinancing improvements to, or the construction or acquisition of, airport and other related facilities and equipment, the use or construction of which qualifies and renders interest on such bonds exempt from certain federal or state taxes.

“Arranger” shall mean JPMCB, in its capacity as sole lead arranger and bookrunner with respect to the Term Loan Facility.

“Asset Coverage Ratio” shall have the meaning given to such term in Section 6.03.

“Asset Coverage Ratio Cure Period” shall have the meaning given to such term in Section 6.03.

“Asset Coverage Test” shall have the meaning given to such term in Section 6.03.

“Assignment and Acceptance” shall mean an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.02), and accepted by the Administrative Agent, substantially in the form of Exhibit B.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” shall mean The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

“Bankruptcy Event” shall mean, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which

Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States.

“Borrower” shall have the meaning set forth in the first paragraph of this Agreement.

“Borrowing” shall mean the incurrence, conversion or continuation of Term Loans of a single Type made from all the Lenders on a single date and having, in the case of Eurodollar Term Loans, a single Interest Period.

“Borrowing Request” shall mean a request by the Borrower, executed by a Responsible Officer of the Borrower, for a Borrowing in accordance with Section 2.03 and in substantially the form of Exhibit E.

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York City are required or authorized to remain closed; provided, however, that when used in connection with a Eurodollar Term Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits on the London interbank market.

“Cape Town Convention” shall mean the official English language text of the Convention on International Interests in Mobile Equipment, adopted on November 16, 2001 at a diplomatic conference in Cape Town, South Africa, and all amendments, supplements and revisions thereto (and from and after the effective date of the Cape Town Treaty in the relevant country, means when referring to the Cape Town Convention with respect to that country, the Cape Town Convention as in effect in such country, unless otherwise indicated).

“Cape Town Treaty” shall mean, collectively, (a) the Cape Town Convention, (b) the Aircraft Protocol, and from and after the effective date of the Cape Town Treaty in the relevant country, shall mean when referring to the Cape Town Treaty with respect to that country, the Cape Town Treaty as in effect in such country, unless otherwise indicated, and (c) all rules and regulations (including but not limited to the Regulations and Procedures for the International Registry) adopted pursuant thereto and, in the case of each of the foregoing described in clauses (a) through (c), all amendments, supplements and revisions thereto.

“Capital Asset Sale” shall have the meaning given to such term in the definition of “EBITDAR” in this Section 1.01.

“Change in Law” shall mean, after the date hereof, (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law (including pursuant to any treaty or, for purposes of Section 5.10, any other agreement governing the right to fly international routes), rule or regulation or in the interpretation or application thereof by any Governmental Authority, Airport Authority or Foreign Aviation Authority after the date of this Agreement applicable to the Borrower or (c) compliance by any Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, requirements, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, regulations, requirements,

guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, implemented or issued.

“Closing Date” shall mean the date on which this Agreement has been executed and the conditions precedent to the effectiveness of this Agreement and the making of the Closing Date Term Loans set forth in Section 4.01 have been satisfied or waived.

“Closing Date Term Loans” shall have the meaning given to such term in Section 2.01(a).

“Closing Date Term Loan Commitment” shall mean the commitment of each Lender to make Term Loans on the Closing Date hereunder in an aggregate principal amount not to exceed the amount set forth under the heading “Closing Date Term Loan Commitment” opposite its name in Schedule 2.01 hereto. The aggregate amount of the Closing Date Term Loan Commitments as of the Closing Date is \$1,150,000,000.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Consolidated Net Income” shall mean, with respect to any specified Person for any period, the aggregate of the net income (or net loss) of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP and without any reduction in respect of preferred stock dividends; provided that: (a) all extraordinary gains (but not losses) and all gains (but not losses) realized in connection with any Capital Asset Sale or the disposition of securities or the early extinguishment of Indebtedness, together with any related provision for taxes on any such gain, will be excluded therefrom; (b) the net income (but not net loss) of any Person that is not the specified Person or a Subsidiary or that is accounted for by the equity method of accounting will be included therein only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or Subsidiary of the Person; (c) the net income (but not net loss) of any Subsidiary will be excluded therefrom to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its stockholders; (d) the cumulative effect of a change in accounting principles will be excluded therefrom; and (e) the effect of non-cash gains and losses attributable to movement in the mark-to-market valuation of Hedging Obligations pursuant to FASB ASC No. 815 will be excluded therefrom.

“Default” shall mean any event that, unless cured or waived, with the passage of time or the giving of notice or both, would be an Event of Default.

“Defaulting Lender” shall mean, at any time, any Lender that (a) has failed, within one (1) Business Day of the date required to be funded or paid by it hereunder, to fund or pay (x) any portion of the Term Loans, or (y) any other amount required to be paid by it hereunder to the Administrative Agent, unless, in the case of clause (x) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower, the Administrative Agent or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations (i) under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or (ii) generally

under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, any other Lender or the Borrower, acting in good faith, to provide a confirmation in writing from an authorized officer or other authorized representative of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Delayed Draw Term Loans under this Agreement, which request shall only have been made after the conditions precedent to borrowings have been met, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's, such other Lender's or the Borrower's, as applicable, receipt of such confirmation in form and substance satisfactory to it and the Administrative Agent and (d) has become, or has had its Parent Company become, the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any of clauses (a) through (d) above will be conclusive and binding absent manifest error, and such Lender will be deemed to be a Defaulting Lender upon notification of such determination by the Administrative Agent to the Borrower and the Lenders.

“Delayed Draw Commitment Fee” shall have the meaning given to such term in Section 2.19(b).

“Delayed Draw Commitment Period” shall mean the period from the Closing Date to and including the Delayed Draw Commitment Termination Date.

“Delayed Draw Commitment Termination Date” shall mean the earliest to occur of (i) the Delayed Draw Scheduled Commitment Termination Date, (ii) the date the Delayed Draw Term Loan Commitments are permanently reduced to zero pursuant to 2.13(a) and (iii) the date of the acceleration of the Term Loans in accordance with the terms hereof.

“Delayed Draw Funding Date” shall mean up to four dates during the Delayed Draw Commitment Period on which Delayed Draw Term Loans are made.

“Delayed Draw Scheduled Commitment Termination Date” means, September 17, 2020.

“Delayed Draw Term Loan” shall have the meaning given to such term in Section 2.01(a)(ii).

“Delayed Draw Term Loan Commitment” shall mean the commitment of each Lender to make Delayed Draw Term Loans on each Delayed Draw Funding Date hereunder in an aggregate principal amount not to exceed the amount set forth under the heading “Delayed Draw Term Loan Commitment” opposite its name in Schedule 2.01 hereto. The aggregate amount of the Delayed Draw Term Loan Commitments as of the Closing Date is \$1,150,000,000.

“Dollars” and “\$” shall mean lawful money of the United States of America.

“DOT” shall mean the United States Department of Transportation and any successor thereto.

“EBITDAR” shall mean, for any period, all as determined in accordance with GAAP, without duplication, an amount equal to (a) the Consolidated Net Income of the Borrower and its Subsidiaries for such period, plus (b) the sum of (i) any provision for income taxes for such period, (ii) Interest Expense for such period, (iii) extraordinary, non-recurring or unusual losses for such period, (iv) depreciation and amortization for such period, (v) amortized debt discount for such period, (vi) the amount of any deduction to consolidated net income as the result of any grant to any employee of the Borrower or its Subsidiaries of any Equity Interests during such period, (vii) aircraft rent expense for such

period, (viii) any aggregate net loss during such period arising from a Capital Asset Sale (as defined below), (ix) all other non-cash charges for such period, (x) any losses arising under fuel hedging arrangements during such period, (xi) costs and expenses, including fees, incurred directly during such period in connection with the consummation of the transactions contemplated under the Loan Documents, and (xii) expenses or losses with respect to business interruption covered by insurance, in each case to the extent actually reimbursed, in the case of each of subclauses (i) through (xii) of this clause (b), to the extent deducted in the calculation of consolidated net income of the Borrower and its Subsidiaries for such period in accordance with GAAP, minus (c) the sum of (i) income tax credits for such period, (ii) interest income for such period, (iii) extraordinary, non-recurring or unusual gains for such period, (iv) any aggregate net gain during such period arising from the sale, exchange or other disposition of capital assets by the Borrower or its Subsidiaries (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities) (a “Capital Asset Sale”), (v) any gains arising under fuel hedging arrangements during such period, and (vi) any other non-cash gains that have been added in determining consolidated net income during such period, in the case of each of subclauses (i) through (vi) of this clause (c), to the extent included in the calculation of consolidated net income of the Borrower and its Subsidiaries for such period in accordance with GAAP. For purposes of this definition, the following items shall be excluded in determining consolidated net income of the Borrower and its Subsidiaries for any period: (1) the income (or deficit) of any other Person accrued prior to the date it became a Subsidiary of, or was merged or consolidated into, the Borrower or any of its Subsidiaries; (2) the income (or deficit) of any other Person (other than a Subsidiary) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent any such income has actually been received by the Borrower or such Subsidiary, as applicable, in the form of cash dividends or distributions; (3) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period; (4) any write-up of any asset; (5) any net gain from the collection of the proceeds of life insurance policies; (6) any net gain arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Indebtedness, of the Borrower or any of its Subsidiaries; (7) in the case of a successor to the Borrower by consolidation or merger or as a transferee of its assets, any earnings of such successor prior to such consolidation, merger or transfer of assets; (8) any deferred credit representing the excess of equity in any Subsidiary at the date of acquisition of such Subsidiary over the cost to the Borrower or any of its Subsidiaries of the investment in such Subsidiary; and (9) any foreign currency translation gains or losses (including gains or losses related to currency remeasurements of Indebtedness).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Affiliate Assignee” shall mean with respect to any Lender, an Affiliate thereof that is: (i) a commercial bank or financial institution organized under the laws of the United States, or any state thereof, and having total assets in excess of \$1,000,000,000; (ii) a commercial bank or financial institution organized under the laws of France, Germany, Spain, the Netherlands or the United Kingdom,

or under the Laws of a political subdivision of any such country, and having total assets in excess of \$1,000,000,000; provided that such bank or institution is acting through a branch or agency located in such country or the United States; or (iii) a commercial bank or financial institution organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or under the laws of a political subdivision of any such country, and having total assets in excess of \$1,000,000,000; provided that such bank or institution is acting through a branch or agency located in the United States.

“Eligible Assignee” shall mean (a) a commercial bank having total assets in excess of \$1,000,000,000, (b) a finance company, insurance company or other financial institution or fund, in each case reasonably acceptable to the Administrative Agent, which in the ordinary course of business extends credit of the type contemplated herein or invests therein and has total assets in excess of \$200,000,000 and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (c) any Lender or any Affiliate of any Lender and (d) any other financial institution reasonably satisfactory to the Administrative Agent; provided that “Eligible Assignee” shall not include any natural person, the Borrower or any Affiliate of the Borrower.

“Environmental Laws” shall mean all applicable laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or legally binding requirements or agreements issued, promulgated or entered into by or with any Governmental Authority, relating to the protection of environment, preservation or reclamation of natural resources, the handling, treatment, storage, disposal, Release into the environment or threatened Release into the environment of, or human exposure to, any pollutants, contaminants or any toxic, radioactive or otherwise hazardous materials.

“Environmental Liability” shall mean any liability, contingent or otherwise, (including any liability for damages, natural resource damage, costs of environmental investigation, remediation or monitoring or costs, fines or penalties) resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or the arrangement for disposal of any Hazardous Materials, (c) human exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement, lease or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person (whether direct or indirect), and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as (i) a single employer under Section 414(b) or (c) of the Code, or (ii) solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code, or that is under common control with the Borrower within the meaning of Section 4001 of ERISA.

“Escrow Accounts” shall mean (1) accounts of the Borrower or any Subsidiary, solely to the extent any such accounts hold funds set aside by the Borrower or any Subsidiary (plus accrued interest thereon) to manage the collection and payment of amounts collected, withheld or incurred by the

Borrower or such Subsidiary for the benefit of third parties relating to: (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges, (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman's or workers' compensation charges and related charges and fees, (c) state and local taxes imposed on overall gross receipts, sales and use taxes, fuel excise taxes and hotel occupancy taxes, (d) passenger facility fees and charges collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities, (e) other similar federal, state or local taxes, charges and fees (including without limitation any amount required to be withheld or collected under applicable law) and (f) other funds held in trust for, or otherwise segregated for the benefit of, an identified beneficiary; in each case, held in escrow accounts, agent accounts, trust funds or other segregated accounts; or (2) accounts, capitalized interest accounts, debt service reserve accounts, escrow accounts and other similar accounts or funds established in connection with the ARB Indebtedness.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Eurodollar”, when used in reference to any Term Loan or Borrowing, refers to whether such Term Loan, or the Term Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

“Eurodollar Tranche” shall mean the collective reference to Eurodollar Term Loans under a particular facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Term Loans shall originally have been made on the same day).

“Event of Default” shall have the meaning given to such term in Section 7.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any Obligation of the Borrower hereunder or under any Loan Document, (a) income or franchise Taxes imposed on (or measured by) its net income however denominated by the United States of America or any political subdivision thereof or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or any political subdivision thereof, (b) any Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such taxes (other than a connection arising solely from such recipient's having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or any Loan Document), (c) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which such recipient is located, (d) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, immediately before designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a), (e) in the case of a Lender, any withholding tax that is attributable to such Lender's failure to comply with Section 2.16(f) or 2.16(g) and (f) any withholding tax that is imposed by reason of FATCA.

“FAA” shall mean the Federal Aviation Administration of the United States of America and any successor thereto.

“FAA Slot” shall mean all “slots” as defined in 14 CFR § 93.213(a)(2), as that section may be amended or re-codified from time to time, or, in the case of slots at New York LaGuardia Airport, as defined in the Final Order, Operating Limitations at New York LaGuardia Airport, 71 Fed. Reg. 77,854 (December 27, 2006), as such order may be amended or re-codified from time to time, and in any subsequent order issued by the FAA related to New York LaGuardia Airport, as such order may be amended or re-codified from time to time, or, in the case of slots at John F. Kennedy International Airport, as defined in the Operating Limitations at John F. Kennedy International Airport, Order Limiting Scheduled Operations at John F. Kennedy International Airport, 73 Fed. Reg. 3510 (January 18, 2008), as such order may be amended or re-codified from time to time, and in any subsequent order issued by the FAA related to John F. Kennedy International Airport, as such order may be amended or re-codified from time to time, in each case of the Borrower and, if applicable, any Subsidiary of the Borrower, now held or hereafter acquired (other than “slots” which have been permanently allocated to another air carrier and in which the Borrower and, if applicable, any Subsidiary of the Borrower holds temporary use rights).

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement, any amended or successor provisions that are substantively similar thereto, any regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, and any intergovernmental agreements with the United States with respect thereto and any laws or regulations implementing such intergovernmental agreement.

“Federal Funds Effective Rate” shall mean, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate, provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Fees” shall collectively mean the Delayed Draw Commitment Fee, the Upfront Fees and other fees referred to in Section 2.19.

“Fifth-Freedom Rights” shall mean the operational right to enplane passenger traffic and cargo in a foreign country and deplane it in another foreign country, including any such right pursuant to a bilateral treaty between the United States and a foreign country.

“Fitch” shall mean Fitch Ratings Inc. (or any successor thereto).

“Finance Lease Obligation” shall mean, as applied to any Person, an obligation that is required to be accounted for as a finance or capital lease (and not an operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a finance or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“Fixed Charge Coverage Ratio” shall mean, at any date for which such ratio is to be determined, the ratio of EBITDAR for the Rolling Twelve Month period ended on such date to the sum of the following for such period: (a) Interest Expense, plus (b) the aggregate cash aircraft rental expense of the Borrower and its Subsidiaries on a consolidated basis for such period payable in cash in respect of any aircraft leases (other than Finance Lease Obligations), all as determined in accordance with GAAP.

“Foreign Aviation Authorities” shall mean any foreign governmental, quasi-governmental, regulatory or other agency, public corporation or private entity that exercises jurisdiction over the authorization (a) to serve any foreign point on each of the Routes and/or to conduct operations related to the Routes and Supporting Route Facilities and/or (b) to hold and operate any Foreign Slots.

“Foreign Lender” shall mean any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Slot” shall mean all of the rights and operational authority, now held or hereafter acquired, of the Borrower to conduct one (1) landing or takeoff operation during a specific hour or other period at each non-United States airport served in conjunction with the Borrower’s operations over a Route, other than “slots” which have been permanently allocated to another air carrier and in which the Borrower holds temporary use rights.

“GAAP” shall mean generally accepted accounting principles set forth in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time, in each case applied in accordance with Section 1.03.

“Governmental Authority” shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

“Guarantee” of or by any Person (the “guarantor”) shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include (i) endorsements for collection or deposits or (ii) customary contractual indemnities in commercial agreements, in each case in the ordinary course of business and consistent with past practice. The amount of any obligation relating to a Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (or, if less, the maximum reasonably anticipated liability for which such Person may be liable pursuant to the terms of the instrument evidencing such Guarantee) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform) as determined by the guarantor in good faith.

“Hazardous Materials” shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, and radon gas, and all other

substances that are regulated as hazardous pursuant to, or, due to their hazardous qualities, could reasonably be expected to give rise to liability under any Environmental Law.

“Hedging Obligations” shall mean, with respect to any Person, all obligations and liabilities of such Person under (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements; (2) other swap or derivative agreements or arrangements designed to manage interest rates or interest rate risk; and (3) other swap or derivative agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices.

“Impacted Interest Period” shall have the meaning given to such term in the definition of “LIBO Rate”.

“Increase Effective Date” shall have the meaning given to such term in Section 2.23(a).

“Increase Joinder” shall have the meaning given to such term in Section 2.23(c).

“Incremental Amount” shall mean, at any time, the excess, if any, of (i) \$1,700,000,000 over (ii) the aggregate amount of all Incremental Commitments established under the Term Loan Facility prior to such time in accordance with Section 2.23.

“Incremental Commitments” shall have the meaning given to such term in Section 2.23(a).

“Incremental Lender” shall have the meaning given to such term in Section 2.23(a).

“Indebtedness” of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money (including in connection with deposits or advances), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accrued expenses incurred and current accounts payable, in each case in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) Finance Lease Obligations, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” shall mean Taxes (other than Excluded Taxes) imposed on or with respect to any payments made by the Borrower under this Agreement or any other Loan Document.

“Indemnitee” shall have the meaning given to such term in Section 10.04(b).

“Initial Appraisal Report” shall mean the initial appraisal report delivered in respect of the Pool Assets in accordance with Section 5.10.

“Interest Election Request” shall mean a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05 and in substantially the form of Exhibit F.

“Interest Expense” shall mean, for any period, the gross cash interest expense (including the interest component of Finance Lease Obligations), of the Borrower and its Subsidiaries on a consolidated basis for such period, all as determined in accordance with GAAP.

“Interest Payment Date” shall mean (a) as to any Eurodollar Term Loan having an Interest Period of one (1), two (2) or three (3) months, the last day of such Interest Period, (b) as to any Eurodollar Term Loan having an Interest Period of more than three (3) months, each day that is three (3) months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (c) with respect to ABR Term Loans, the last Business Day of each March, June, September and December.

“Interest Period” shall mean, as to any Borrowing of Eurodollar Term Loans, the period commencing on the date of such Borrowing (including as a result of a conversion from ABR Term Loans) or on the last day of the preceding Interest Period applicable to such Borrowing and ending on the numerically corresponding day (or if there is no corresponding day, the last day) in the calendar month that is one (1), two (2), three (3) or six (6) months (or, if available to all applicable Lenders, twelve (12) months) thereafter, as the Borrower may elect in the related notice delivered pursuant to Section 2.03 or 2.05; provided that (i) if any Interest Period would end on a day which shall not be a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) no Interest Period shall end later than the applicable Termination Date.

“International Interest” shall mean an “international interest” as defined in the Cape Town Convention.

“Interpolated Rate” shall mean, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period for which that LIBO Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment Property” shall have the meaning given to such term in the UCC.

“JFK” shall mean New York’s John F. Kennedy (JFK) International Airport.

“JPMCB” shall have the meaning set forth in the first paragraph of this Agreement.

“Lenders” shall have the meaning set forth in the first paragraph of this Agreement. For the avoidance of doubt, references herein to Lenders shall include Incremental Lenders, if any.

“LIBO Rate” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) then the LIBO Rate shall be the Interpolated Rate.

“LIBO Screen Rate” shall mean, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Lien” shall mean (a) any mortgage, deed of trust, pledge, deed to secure debt, hypothecation, security interest, International Interest, Prospective International Interest, easement (including, without limitation, reciprocal easement agreements and utility agreements), rights-of-ways, reservations, encroachments, zoning and other land use restrictions, claim or any other title defect, lease, encumbrance, restriction, lien or charge of any kind whatsoever and (b) the interest of a vendor or a lessor under any conditional sale, capital lease or other title retention agreement (or any Finance Lease Obligations having substantially the same economic effect as any of the foregoing, but in any event not in respect of any Non-Finance Lease Obligations).

“Loan Documents” shall mean this Agreement, each Short Form Mortgage and any other instrument or agreement (which is designated as a Loan Document therein) executed and delivered by the Borrower to the Administrative Agent or any Lender, in each case, as the same may be amended, restated, modified, supplemented, extended or amended and restated from time to time in accordance with the terms hereof.

“Material Adverse Change” shall mean any event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” shall mean a material adverse effect on (a) the business, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) the validity or enforceability of the Loan Documents or the rights or remedies of the Administrative Agent and the Lenders thereunder, or (c) the ability of the Borrower to pay the obligations under the Loan Documents.

“Material Indebtedness” shall mean Indebtedness (other than the Term Loans) of the Borrower in an aggregate principal amount exceeding \$200,000,000.

“Material Subsidiary” means, at any time, any Subsidiary of the Borrower having at such time (i) total assets, as of the last day of the most recently ended fiscal quarter for which the Borrower’s annual or quarterly financial statements have been most recently required to have been delivered pursuant to Section 5.01, having a net book value greater than or equal to 10% of the total assets of the Borrower and all of its Subsidiaries on a consolidated basis (as shown on the most recent balance sheet of the Borrower delivered pursuant to Section 5.01 or, if available earlier and delivered to the Administrative Agent, the balance sheet that is internally available for the then most recently ended fiscal quarter or fiscal year, as applicable), (ii) total revenue, as of the last day of the most recently ended fiscal quarter for which the Borrower’s annual or quarterly financial statements have been most recently required to have been delivered pursuant to Section 5.01, greater than or equal to 10% of the total revenue of the Borrower and all of its Subsidiaries on a consolidated basis (as shown on the most recent income statement of the Borrower delivered pursuant to Section 5.01 or, if available earlier and delivered to the Administrative Agent, the income statement that is internally available for the then most recently ended fiscal quarter or fiscal year, as applicable) or (iii) any Pool Assets.

“Moody’s” shall mean Moody’s Investors Service, Inc. (or any successor thereto).

“Mortgage Related Amendments” shall have the meaning given to such term in Section 5.10(b).

“Multiemployer Plan” shall mean a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA, which is maintained or contributed to by (or to which there is an obligation to contribute of) the Borrower or a Subsidiary of the Borrower or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which the Borrower, or a Subsidiary of the Borrower or an ERISA Affiliate maintained, contributed to or had an obligation to contribute to such plan.

“Multiple Employer Plan” shall mean a Single Employer Plan, which is maintained for employees of the Borrower or an ERISA Affiliate and at least one (1) person (as defined in Section 3(9) of ERISA) other than the Borrower and its ERISA Affiliates and in respect of which the Borrower or an ERISA Affiliate could have liability, contingent or otherwise, under ERISA.

“Non-Defaulting Lender” shall mean, at any time, a Lender that is not a Defaulting Lender.

“Non-Finance Lease Obligations” shall mean a lease obligation that is not required to be accounted for as a finance or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. An operating lease shall be considered a Non-Finance Lease Obligation.

“NYFRB” shall mean the Federal Reserve Bank of New York.

“NYFRB Rate” shall mean, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” shall mean the unpaid principal of and interest on (including interest, reasonable fees and reasonable out-of-pocket costs accruing after the maturity of the Term Loans and interest, reasonable fees and reasonable out-of-pocket costs accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest, fees or costs is allowed in such proceeding) the Term Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, reasonable fees, indemnities, reasonable out-of-pocket costs, reasonable and documented out-of-pocket expenses (including all reasonable fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

“Officer’s Certificate” shall mean a certificate executed by a Responsible Officer of the Borrower in his/her capacity as such.

“Other Taxes” shall mean any and all present or future stamp, mortgage, intangible, documentary, recording or filing taxes or any other similar taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are imposed with respect to an assignment.

“Overnight Bank Funding Rate” shall mean, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Parent Company” shall mean, with respect to a Lender, the bank holding company (as defined in Federal Reserve Board Regulation Y), if any, of such Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

“Participant” shall have the meaning given to such term in Section 10.02(d).

“Participant Register” shall have the meaning given to such term in Section 10.02(d).

“Patriot Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001, Title III of Pub. L. 107-56, signed into law on October 26, 2001 or any subsequent legislation that amends, supplements or supersedes such Act.

“Payroll Accounts” shall mean depository accounts used only for payroll.

“PBGC” shall mean the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

“Person” shall mean any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

“Plan” shall mean a Single Employer Plan or a Multiple Employer Plan that is a pension plan subject to the provisions of Title IV of ERISA, Sections 412 or 430 of the Code or Section 302 of ERISA.

“Plan Asset Regulations” means of 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

“Pool Assets” shall mean, on any date of determination (a) the Aircraft specified on Schedule 6.05 hereto and (b) any Additional Pool Assets designated by the Borrower at its discretion pursuant to the terms of this Agreement. The Pool Assets on the Closing Date are set forth on Schedule 6.05 hereto. Schedule 6.05 may be updated from time to time in the Borrower’s sole discretion to replace or exchange any Aircraft and/or to add Additional Pool Assets as contemplated by Section 10.08(f).

“Prime Rate” shall mean the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Prospective International Interest” shall have the meaning given in the Cape Town Convention.

“Protocol” shall mean the Protocol referred to in the defined term “Cape Town Convention.”

“Rating Agency” shall mean any of S&P, Moody’s and Fitch.

“Ratings” shall mean as of any date of determination, the corporate credit rating as determined by S&P, the corporate family rating as determined by Moody’s or the corporate credit rating as determined by Fitch, as applicable, of the Borrower.

“Recipient” means (a) the Administrative Agent, (b) any Lender or (c) any other recipient of any payment to be made by or on account of any Obligation of the Borrower hereunder or under any Loan Document, as applicable.

“Refinanced Term Loans” shall have the meaning given to such term in Section 10.08(e).

“Refinancing Amendment” shall have the meaning given to such term in Section 10.08(e).

“Refinancing Debt” shall mean Indebtedness (or commitments in respect thereof) incurred to refinance (whether concurrently or after any repayment or prepayment of any such Indebtedness being refinanced) (a) the Term Loans or (b) Indebtedness (or commitments in respect thereof) incurred pursuant to the preceding clause (a), in each case, from time to time, in whole or part, in the form of (i) one or more new term facilities (each, a “Refinancing Term Facility”) made available under this Agreement with the consent (which consent shall not be unreasonably withheld or delayed) of the Borrower and the Administrative Agent (to the extent such consent would be required under Section 10.02(b) for an assignment of Term Loans to the applicable lender) and the lenders providing such financing (and no other lenders) or (ii) one or more series of term facilities outside of this Agreement; provided that (A) any Refinancing Debt shall not mature prior to the maturity date of, or have a shorter Weighted Average Life to Maturity than, the Term Loans (or any refinancing thereof incurred pursuant to the preceding clause (b)) being refinanced, (B) the other terms and conditions of such Refinancing Debt (excluding pricing, premium, maturity, scheduled amortization and optional prepayment or redemption provisions) shall be customary market terms for indebtedness of such type, (C) after giving pro forma effect to the incurrence of Refinancing Debt and the application of the net proceeds therefrom, the Borrower shall be in pro forma compliance with Section 6.03 and Section 6.04, (D) there shall be no additional direct or contingent obligors with respect to such Refinancing Debt, (E) the aggregate principal amount of such Refinancing Debt shall not exceed the aggregate principal amount of the Indebtedness being refinanced plus accrued interest, fees and premiums (if any) thereon and reasonable fees and expenses associated with the refinancing, (F) no Lender shall be obligated to provide any such Refinancing Debt and (G) such Indebtedness shall rank pari passu in right of payment with the Obligations and shall be unsecured.

“Refinancing Term Facility” shall have the meaning given to such term in the definition of “Refinancing Debt”.

“Register” shall have the meaning given to such term in Section 10.02(b)(iv).

“Regulations and Procedures for the International Registry” shall mean the official English language text of the International Registry Procedures and Regulations issued by the Supervisory Authority (as defined in the Cape Town Convention) pursuant to the Aircraft Protocol.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, partners, members, employees, agents, advisors, trustees, managers and representatives of such Person and such Person’s Affiliates.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment.

“Replacement Term Loan” shall have the meaning given to such term in Section 10.08(e).

“Required Lenders” shall mean, at any time, Lenders holding more than 50% of the aggregate principal amount of all Term Loans and Delayed Draw Term Loan Commitments outstanding.

“Resignation Effective Date” shall have the meaning given to such term in Section 8.05.

“Responsible Officer” shall mean the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, vice president, controller, chief accounting officer, secretary or assistant secretary of the Borrower, but in any event, with respect to financial matters, the chief financial officer, treasurer, assistant treasurer, controller or chief accounting officer of the Borrower.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Rolling Twelve Months” shall mean, with respect to any date of determination, the month most recently ended and the eleven (11) immediately preceding months for which, in each case, financial statements are available considered as a single period.

“Routes” shall mean the routes for which the Borrower holds or hereafter acquires the requisite authority to operate foreign air transportation pursuant to Title 49 including, without limitation, applicable frequencies, exemption and certificate authorities, Fifth-Freedom Rights and “behind/beyond rights”, whether or not utilized by the Borrower.

“S&P” shall mean Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc. (or any successor thereto).

“Sanctions” shall have the meaning given to such term in Section 3.11(a).

“SEC” shall mean the United States Securities and Exchange Commission.

“Short Form Mortgage” shall have the meaning given to such term in Section 4.01(j).

“Single Employer Plan” shall mean a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is maintained for current or former employees of the Borrower or an ERISA Affiliate

and in respect of which the Borrower or any ERISA Affiliate could reasonably be expected to have liability under Title IV of ERISA.

“Slot” shall mean each FAA Slot and each Foreign Slot.

“Spare Part” shall mean (a) an accessory, appurtenance, or part of (i) an Aircraft (except an engine or propeller), (ii) an engine (except a propeller), (iii) a propeller or (iv) an Appliance, in each case that is to be installed at a later time in an aircraft, engine, propeller or Appliance and shall include, without limitation, “spare parts” as defined in 49 U.S.C. § 40102(a)(43), (b) an Appliance or (c) a propeller.

“Specified Person” shall have the meaning given to such term in Section 3.11(a).

“Stated Maturity Date” shall mean March 16, 2021.

“Statutory Reserve Rate” shall mean a fraction (expressed as a decimal), the numerator of which is the number one (1) and the denominator of which is the number one (1) minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Term Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Subsidiary” shall mean, with respect to any Person (in this definition referred to as the “parent”), any corporation, association or other business entity (whether now existing or hereafter organized) of which at least a majority of the securities or other ownership or membership interests having ordinary voting power for the election of directors (or equivalent governing body) is, at the time as of which any determination is being made, owned or controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Successor Company” shall have the meaning given to such term in Section 6.02(a)(ii).

“Supporting Route Facilities” shall mean gates, ticket counters and other facilities assigned, allocated, leased, or made available to the Borrower at non-U.S. airports used in the operation of scheduled service over a Route.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan” shall have the meaning given to such term in Section 2.01(a); provided, for the avoidance of doubt, that for all purposes of this Agreement and the other Loan Documents, the term “Term Loans” shall include any Term Loan made pursuant to an Incremental Commitment.

“Term Loan Facility” shall mean the Closing Date Term Loan Commitments, the Closing Date Term Loans, the Delayed Draw Term Loan Commitments and any Delayed Draw Term Loans made hereunder.

“Term Loan Maturity Date” shall mean, with respect to (a) Term Loans made hereunder, the Stated Maturity Date and (b) with respect to any Refinancing Term Facility, the final maturity date therefor as specified in the applicable Refinancing Amendment.

“Termination Date” shall mean the earlier to occur of (a) the Term Loan Maturity Date and (b) the acceleration of the Term Loans in accordance with the terms hereof.

“Termination Event” shall mean (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty (30) day notice period is waived) as in effect on the Closing Date (no matter how such notice requirement may be changed in the future), (b) an event described in Section 4068 of ERISA, (c) the withdrawal of the Borrower or any ERISA Affiliate from a Multiple Employer Plan during a plan year in which it was a “substantial employer,” as such term is defined in Section 4001(a)(2) of ERISA, (d) the incurrence of liability by the Borrower or any ERISA Affiliate under Section 4064 of ERISA upon the termination of a Multiple Employer Plan, (e) the imposition of Withdrawal Liability or receipt of notice from a Multiemployer Plan that such liability may be imposed, (f) a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA, (g) providing notice of intent to terminate a Plan pursuant to Section 4041(c) of ERISA or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, if such amendment requires the provision of security, (h) the institution of proceedings to terminate a Plan by the PBGC under Section 4042 of ERISA, (i) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA) applicable to such Plan, whether or not waived, (j) any failure by any Plan to satisfy the special funding rules for plans maintained by commercial airlines contained in Section 402 of the Pension Protection Act of 2006, (k) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, or (l) any other event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the imposition of any liability under Title IV of ERISA (other than for the payment of premiums to the PBGC in the ordinary course).

“Title 49” shall mean Title 49 of the United States Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto or any subsequent legislation that amends, supplements or supersedes such provisions.

“Transactions” shall mean the execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents and the borrowing of the Term Loans.

“Type”, when used in reference to any Term Loan or Borrowing, refers to whether the rate of interest on such Term Loan, or on the Term Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

“United States Citizen” shall have the meaning given to such term in Section 3.02.

“Upfront Fees” shall have the meaning given to such term in Section 2.19(c).

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“U.S. Tax Compliance Certificate” shall have the meaning given to such term in Section 2.16(g)(1)(ii)(3).

“Weighted Average Life to Maturity” shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“Withdrawal Liability” shall have the meaning given to such term under Part I of Subtitle E of Title IV of ERISA and shall include liability that results from either a complete or partial withdrawal.

“Withholding Agent” shall mean the Borrower and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts

and contract rights and (g) “knowledge” or “aware” or words of similar import shall mean, when used in reference to the Borrower, the actual knowledge of any Responsible Officer.

Section 1.03. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Upon any such request for an amendment, the Borrower, the Required Lenders and the Administrative Agent agree to consider in good faith any such amendment in order to amend the provisions of this Agreement so as to reflect equitably such accounting changes so that the criteria for evaluating the Borrower’s financial condition shall be the same after such accounting changes as if such accounting changes had not occurred.

Section 1.04. Interest Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “LIBO Rate” or with respect to any comparable or successor rate thereto, or replacement rate therefor, provided that the foregoing shall not apply to any liability arising out of the bad faith, willful misconduct or negligence of the Administrative Agent.

Section 2.

AMOUNT AND TERMS OF CREDIT

Section 2.01. Term Loans.

(a) Closing Date Term Loan Commitments. (i) Each Lender severally, and not jointly with the other Lenders, agrees, upon the terms and subject to the conditions herein set forth, to make a term loan denominated in Dollars (each, a “Closing Date Term Loan” and collectively, the “Closing Date Term Loans”) to the Borrower on the Closing Date in an aggregate principal amount not to exceed the Closing Date Term Loan Commitment of such Lender, which Closing Date Term Loans shall be repaid in accordance with the provisions of this Agreement. Any amount borrowed under this Section 2.01(a)(i) and subsequently repaid or prepaid may not be reborrowed. Each Lender’s Closing Date Term Loan Commitment shall terminate immediately and without further action on the Closing Date after giving effect to the funding by such Lender of the Closing Date Term Loans to be made by it on such date.

(ii) Delayed Draw Term Loan Commitments. During the Delayed Draw Commitment Period, each Lender severally, and not jointly with the other Lenders, agrees, upon the terms and subject to the conditions herein set forth, to make term loans denominated in Dollars in up to four separate draws (each, a “Delayed Draw Term Loan” and collectively, the “Delayed Draw Term Loans” and together with the Closing Date Term Loans, the “Term Loans”) to the Borrower on each Delayed Draw Funding Date, in an aggregate principal amount not to exceed the Delayed Draw Term Loan Commitment of such Lender, which Delayed Draw Term Loans shall be repaid in accordance with the provisions of this Agreement. Any amount borrowed under this Section 2.01(a)(ii) and subsequently repaid or prepaid may not be reborrowed. Each Lender’s Delayed Draw Term Loan Commitment shall be reduced immediately and without further action on the applicable Delayed Draw Funding Date in an

amount equal to and after giving effect to the funding by such Lender of the applicable Delayed Draw Term Loans to be made by it on such date. Each Lender's Delayed Draw Term Loan Commitment shall be terminated immediately and without further action at 5:00 p.m., New York City time, on the Delayed Draw Commitment Termination Date. The Delayed Draw Term Loans (if and when funded) shall have the same terms and conditions as the Closing Date Term Loans for all purposes (it being understood, for the avoidance of doubt, that interest shall accrue on the Delayed Draw Term Loans from the date of funding thereof).

(iii) Each Borrowing of a Delayed Draw Term Loans shall be made from the applicable Lenders pro rata in accordance with their respective Delayed Draw Term Loan Commitments; provided, however, that the failure of any Lender to make any Delayed Draw Term Loan shall not in itself relieve the other Lenders of their obligations to lend.

(b) Type of Borrowing. Each Borrowing shall be comprised entirely of ABR Term Loans or Eurodollar Term Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Term Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Term Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Term Loan in accordance with the terms of this Agreement.

(c) Amount of Borrowing. At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is in an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000. Borrowings of more than one (1) Type may be outstanding at the same time.

(d) Limitation on Interest Period. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing of a Term Loan if the Interest Period requested with respect thereto would end after the applicable Term Loan Maturity Date.

Section 2.02. [Reserved].

Section 2.03. Requests for Borrowings. To request Term Loans on the Closing Date or on any Delayed Draw Funding Date, the Borrower shall notify the Administrative Agent of such request by telephone (i) in the case of a Eurodollar Borrowing, not later than 2:00 p.m., New York City time, two (2) Business Days prior to the Closing Date or three (3) Business Days prior to the applicable Delayed Draw Funding Date, as applicable, and (ii) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the Closing Date or the applicable Delayed Draw Funding Date, as applicable. Each such telephonic borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01(a):

(i) the aggregate amount of the requested Borrowing (which shall comply with Section 2.01(c));

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Term Loan to be made as part of the requested Borrowing.

Section 2.04. Funding of Borrowings. (a) Each Lender shall make each applicable Term Loan to be made by it hereunder on the Closing Date and any applicable Delayed Draw Funding Date by wire transfer of immediately available funds by 12:00 noon, New York City time, or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Upon satisfaction or waiver of the applicable conditions precedent specified herein, the Administrative Agent will make the applicable Term Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.04 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith upon written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate otherwise applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Term Loan included in such Borrowing.

Section 2.05. Interest Elections. (a) The Borrower may elect from time to time to (i) convert ABR Term Loans to Eurodollar Term Loans, (ii) convert Eurodollar Term Loans to ABR Term Loans, provided that any such conversion of Eurodollar Term Loans may only be made on the last day of an Interest Period with respect thereto or (iii) continue any Eurodollar Term Loan as such upon the expiration of the then current Interest Period with respect thereto.

(b) To make an Interest Election Request pursuant to this Section 2.05, the Borrower shall notify the Administrative Agent of such election by telephone (i) in the case of a conversion of ABR Term Loans to Eurodollar Term Loans under Section 2.05(a)(i), not later than 2:00 p.m., New York City time, three (3) Business Days (or, with respect to the initial Borrowing of Closing Date Term Loans, two (2) Business Days) prior to the date of the requested conversion, (ii) in the case of a continuation of Eurodollar Term Loans under Section 2.05(a)(iii), not later than 2:00 p.m., New York City time, three (3) Business Days prior to the expiration of the then current Interest Period with respect thereto and (iii) in the case of a conversion of Eurodollar Term Loans to ABR Term Loans under Section 2.05(a)(ii), not later than 11:00 a.m., New York City time, on the expiration date of the then current Interest Period with respect thereto. Each such telephonic Interest Election Request shall be irrevocable and shall be

confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.01:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing, and upon the request of the Required Lenders, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.06. Limitation on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Term Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Term Loans comprising each Eurodollar Tranche shall be equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than ten (10) Eurodollar Tranches shall be outstanding at any one time.

Section 2.07. Interest on Term Loans.

(a) Subject to the provisions of Section 2.08, each ABR Term Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days or, when the Alternate Base Rate is based on the Prime Rate, a year with three hundred sixty-five (365) days or three hundred sixty-six (366) days in a leap year) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.08, each Eurodollar Term Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days) at a rate per annum equal, during each Interest Period applicable thereto, to the LIBO Rate for such Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Accrued interest on all Term Loans shall be payable in arrears on each Interest Payment Date applicable thereto, on the Termination Date with respect to such Term Loans and thereafter on written demand and (with respect to Eurodollar Term Loans) upon any repayment or prepayment thereof (on the amount repaid or prepaid); provided that in the event of any conversion of any Eurodollar Term Loan to an ABR Term Loan, accrued interest on such Term Loan shall be payable on the effective date of such conversion.

Section 2.08. Default Interest. If the Borrower shall default in the payment of the principal of or interest on any Term Loan or in the payment of any fee becoming due hereunder, whether at stated maturity, by acceleration or otherwise, the Borrower shall on written demand of the Administrative Agent (which written demand shall be given at the request of the Required Lenders) from time to time pay interest, to the extent permitted by law, on all overdue amounts up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed on the basis of the actual number of days elapsed over a year of three hundred sixty (360) days or, when the Alternate Base Rate is applicable and is based on the Prime Rate, a year of three hundred sixty-five (365) days or three hundred sixty-six (366) days in a leap year) equal to (a) with respect to the principal amount of any Term Loan, the rate then applicable for such Borrowings plus 2.0%, and (b) with respect to interest and fees, the rate applicable for ABR Term Loans plus 2.0%.

Section 2.09. Alternate Rate of Interest.

(a) In the event, and on each occasion, that on the date that is two (2) Business Days prior to the commencement of any Interest Period for a Eurodollar Term Loan, the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrower absent manifest error) that reasonable means do not exist for ascertaining the applicable LIBO Rate (including because the LIBO Screen Rate is not available or published on a current basis), the Administrative Agent shall, as soon as practicable thereafter, give written, facsimile or telegraphic notice of such determination to the Borrower and the Lenders and, until the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Borrowing of Eurodollar Term Loans hereunder (including pursuant to a refinancing with Eurodollar Term Loans and including any request to continue, or to convert to, Eurodollar Term Loans) shall be deemed a request for a Borrowing of ABR Term Loans.

(b) Notwithstanding the foregoing, if at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in this Section 2.09 have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in this Section 2.09 have not arisen but the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable; provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.08, such amendment shall become effective without any further action or consent of any Lender so long as the Administrative

Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 2.09(b), only to the extent the LIBO Screen Rate for such Interest Period is not available or published at such time on a current basis), any request by the Borrower for a Borrowing of Eurodollar Term Loans hereunder (including pursuant to a refinancing with Eurodollar Term Loans and including any request to continue, or to convert to, Eurodollar Term Loans) shall be deemed a request for a Borrowing of ABR Term Loans.

Section 2.10. Repayment of Term Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of each Lender the then unpaid principal amount of each Term Loan then outstanding on the Termination Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Term Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Term Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. The Borrower shall have the right, upon reasonable notice, to request information regarding the accounts referred to in the preceding sentence.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Term Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Term Loans made by it be evidenced by a promissory note. In such event, the Borrower shall promptly execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a form furnished by the Administrative Agent and reasonably acceptable to the Borrower. Thereafter, the Term Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.02) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.11. Optional Termination or Reduction of Delayed Draw Commitments.

(a) Upon at least one (1) Business Day's prior written notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the unused Delayed Draw Term Loan Commitments; provided that each such notice shall be revocable to the extent such termination or reduction would have resulted from a refinancing of the Obligations, which refinancing shall not be consummated or shall otherwise be delayed. Each such reduction of the unused Delayed Draw Term Loan Commitments shall be in the principal amount not less

than \$5,000,000 and in an integral multiple of \$1,000,000. Any reduction of the Delayed Draw Term Loan Commitment pursuant to this Section 2.11 shall be applied on a pro rata basis.

Section 2.12. Mandatory Prepayment of Term Loans.

(a) The Borrower shall prepay the Term Loans in an amount necessary to comply with Section 6.03, in each case as directed by the Borrower.

(b) All prepayments under this Section 2.12 shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus Fees and any losses, costs and expenses, as more fully described in Sections 2.15 and 2.19 hereof.

Section 2.13. Optional Prepayment of Term Loans.

(a) The Borrower shall have the right, at any time and from time to time, to prepay any Term Loans, in whole or in part, (i) with respect to Eurodollar Term Loans, upon (A) telephonic notice followed promptly by written or facsimile notice or (B) written or facsimile notice received by 1:00 p.m., New York City time, three (3) Business Days prior to the proposed date of prepayment and (ii) with respect to ABR Term Loans, upon written or facsimile notice received by 1:00 p.m., New York City time, one (1) Business Day prior to the proposed date of prepayment; provided that ABR Term Loans may be prepaid on the same day notice is given if such notice is received by the Administrative Agent by 12:00 noon, New York City time; provided further, however, that (A) each such partial prepayment shall be in an amount not less than \$5,000,000 and in integral multiples of \$1,000,000, (B) no prepayment of Eurodollar Term Loans shall be permitted pursuant to this Section 2.13(a) other than on the last day of an Interest Period applicable thereto unless such prepayment is accompanied by the payment of the amounts described in Section 2.15, and (C) no partial prepayment of a Borrowing of Eurodollar Term Loans shall result in the aggregate principal amount of the Eurodollar Term Loans remaining outstanding pursuant to such Borrowing being less than \$5,000,000.

(b) All prepayments under Section 2.13(a) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees and any losses, costs and expenses, as more fully described in Sections 2.15 and 2.19 hereof.

(c) Each notice of prepayment shall specify the prepayment date, the principal amount of the Term Loans to be prepaid and, in the case of Eurodollar Term Loans, the Borrowing or Borrowings pursuant to which made, shall be irrevocable and shall commit the Borrower to prepay such Term Loan by the amount and on the date stated therein; provided that the Borrower may revoke any notice of prepayment under this Section 2.13 if such prepayment would have resulted from a refinancing of any or all of the Obligations hereunder, which refinancing shall not be consummated or shall otherwise be delayed. The Administrative Agent shall, promptly after receiving notice from the Borrower hereunder, notify each Lender of the principal amount of the Term Loans held by such Lender which are to be prepaid, the prepayment date and the manner of application of the prepayment.

Section 2.14. Increased Costs. (a) If any Change in Law shall:

(i) subject any Lender to any Taxes (other than (A) Indemnified Taxes or (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement subject to Section 2.14(c)); or

(iii) impose on any Lender or the London interbank market any other condition (other than Taxes) affecting this Agreement or Eurodollar Term Loans made by such Lender; and the result of any of the foregoing shall be to increase the cost to such Lender of converting any ABR Term Loan to a Eurodollar Term Loan or making, maintaining or continuing any Eurodollar Term Loan (or of maintaining its obligation to make any such Term Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender reasonably determines in good faith that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Term Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts, in each case as documented by such Lender to the Borrower as will compensate such Lender or such Lender's holding company for any such reduction suffered; it being understood that to the extent duplicative of the provisions in Section 2.16, this Section 2.14(b) shall not apply to Taxes.

(c) The Borrower shall pay to each Lender (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurodollar funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Term Loan equal to the actual costs of such reserves allocated to such Term Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error) and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the funding of the Eurodollar Term Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Term Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Term Loan, provided the Borrower shall have received at least fifteen (15) days' prior notice (with a copy to the Administrative Agent, and which notice shall specify the Statutory Reserve Rate, if any, applicable to such Lender) of such additional interest or cost from such Lender. If a Lender fails to give notice fifteen (15) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

(d) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a), (b) or (c) of this Section 2.14 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(e) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.14 for

any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention as to the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) Any determination by a Lender of amounts owed pursuant to this Section 2.14 to such Lender due to any Change in Law, pursuant to the proviso in the definition thereof shall be made in good faith in a manner generally consistent with such Lender's standard practice.

Section 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Term Loan other than on the last day of an Interest Period applicable thereto (including as a result of the occurrence and continuance of an Event of Default), (b) the failure to borrow, convert, continue or prepay any Eurodollar Term Loan on the date specified in any notice delivered pursuant hereto, or (c) the assignment of any Eurodollar Term Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18 or Section 10.08(d), then, in any such event, at the request of such Lender, the Borrower shall compensate such Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined in good faith by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Term Loan had such event not occurred, at the applicable rate of interest for such Term Loan (excluding, however the Applicable Margin included therein, if any), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Term Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

Section 2.16. Taxes. (a) Any and all payments by or on account of any Obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Indemnified Tax or Other Taxes are required to be withheld from any amounts payable to a Recipient, as determined in good faith by the applicable Withholding Agent, then (i) the sum payable by the Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.16), such Recipient receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable Withholding Agent shall make such deductions and (iii) the applicable Withholding Agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition (and without duplication of any payments with respect to Other Taxes pursuant to Section 2.16(a)), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify each Recipient within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by or on behalf of such Recipient on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. After a Recipient learns of the imposition of Indemnified Taxes or Other Taxes, such party will act in good faith to notify the Borrower promptly of its obligations thereunder. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.16, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment to the extent available, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of the Borrower to do so) and (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.02(d) relating to the maintenance of a Participant Register, in either case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or as reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law or requested by the Borrower as will (i) enable the Borrower to determine whether such Lender is subject to backup withholding or information reporting requirements, and (ii) permit such payments to be made without withholding or at a reduced rate; provided that a Foreign Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Foreign Lender is not legally able to deliver.

(g) (1) Without limiting the generality of Section 2.16(f),

(i) any Lender that is a U.S. Person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Administrative Agent (and the Borrower at its request) on or prior to the date on which such Lender becomes a party under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon the reasonable request of the Borrower or the Administrative Agent), executed copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(ii) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Administrative Agent (in such number of copies as shall be requested by the recipient) (and the Borrower at its request) on or prior to the date on which such Foreign Lender becomes a party under this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

- (1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable;
- (2) executed copies of Internal Revenue Service Form W-8ECI;
- (3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the Form of Exhibit C-1 to the effect that (i) such Foreign Lender is not (A) a “bank” within the meaning of section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of the Borrower within the meaning of section 881(c)(3)(B) of the Code, and (C) a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code, and (ii) the interest payments in question are not effectively connected with the United States trade or business conducted by such Lender (a “U.S. Tax Compliance Certificate”) and (y) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable;
- (4) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating bank granting a typical participation), an Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or C-3 (as applicable), Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership (and not a participating bank) and one or more beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such beneficial owner; or
- (5) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

If the Administrative Agent is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Administrative Agent shall deliver to the Borrower, on or prior to the date on which it becomes the Administrative Agent (and from time to time thereafter when the previously delivered forms expire, or upon the reasonable request of the Borrower), such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding.

The Administrative Agent and each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or

certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(2) If a payment made to a Lender under this Agreement or any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (2), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If the Administrative Agent or a Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.16, it shall pay over an amount equal to such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender incurred in obtaining such refund (including Taxes imposed with respect to such refund) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the Administrative Agent or any Lender be required to pay any amount to the Borrower pursuant to this paragraph (h) if, and then only to the extent, the payment of such amount would place the Administrative Agent or Lender in a less favorable net after-Tax position than the Administrative Agent or Lender would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

Section 2.17. Payments Generally: Pro Rata Treatment.

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, or fees or of amounts payable under Section 2.14 or 2.15, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 383 Madison Avenue, New York, New York, pursuant to wire instructions to be provided by the Administrative Agent, except that payments pursuant to Sections 2.14, 2.15 and 10.04 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the

date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in the applicable currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Obligations then due hereunder, such funds shall be applied (i) first, towards payment of Fees and expenses then due under Sections 2.19 and 10.04 payable to the Administrative Agent, (ii) second, towards payment of Fees and expenses then due under Sections 2.19 and 10.04 payable to the Arrangers and the Lenders and towards payment of interest then due on account of the Term Loans, ratably among the parties entitled thereto in accordance with the amounts of such Fees and expenses and interest then due to such parties and (iii) third, towards payment of principal of the Term Loans then due hereunder ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(a), 8.04 or 10.04(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(e) Pro Rata Treatment. (i) Each payment by the Borrower of interest in respect of the Term Loans shall be applied to the amounts of such obligations owing to the Lenders pro rata according to the respective amounts then due and owing to the Lenders.

(ii) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Lenders (except that any prepayment of Term Loans with the proceeds of Refinancing Debt shall be applied solely to each applicable tranche of the Indebtedness being refinanced). Amounts prepaid on account of the Term Loans may not be reborrowed.

Section 2.18. Mitigation Obligations; Replacement of Lenders. (a) If the Borrower is required to pay any additional amount or indemnification payment to any Lender under Section 2.14 or to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Term Loans hereunder, to assign its rights and obligations hereunder to another of its offices, branches or affiliates or to file any certificate or document reasonably requested by the Borrower, if, in the judgment of such Lender, such designation, assignment or filing (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense (other than immaterial costs and expenses) and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If, after the date hereof, any Lender requests compensation under Section 2.14 or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.02), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Lender shall have received payment of an amount equal to the outstanding principal of its Term Loans, accrued interest thereon, accrued fees and all other amounts due, owing and payable to it hereunder at such time, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (ii) in the case of payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(c) Each party hereto agrees that (a) an assignment required pursuant to this Section 2.18 may be effected pursuant to an Assignment and Acceptance executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

Section 2.19. Certain Fees.

(a) The Borrower shall pay to the Administrative Agent the fee set forth in that certain Administrative Agent Fee Letter dated as of March 17, 2020 between the Administrative Agent and the Borrower at the time set forth therein in immediately available funds.

(b) The Borrower shall pay to the Administrative Agent for the account of each Lender holding outstanding Delayed Draw Term Loan Commitments, a commitment fee (the "Delayed Draw Commitment Fee") equal to (A) the average daily unused amount of the Delayed Draw Term Loan Commitments of such Lender times (B) 0.15% per annum. All fees referred to in this Section 2.19(b) shall be calculated on the basis of a 360-day year and the actual number of days elapsed and payable quarterly in arrears on March 31, 2020, on June 30, 2020 and on the Delayed Draw Commitment Termination Date of the applicable Delayed Draw Term Loan Commitments.

(c) The Borrower shall pay on the Closing Date to each Lender, as compensation for providing the Closing Date Term Loans and the Delayed Draw Term Loan Commitments, an upfront fee (the "Upfront Fees") in an amount equal to 0.50% of the sum of such Lender's (x) Closing Date Term Loans actually funded on the Closing Date and (y) Delayed Draw Term Loan Commitments as of the Closing Date. The Upfront Fees shall be in all respects fully earned, due and payable on the Closing Date and non-refundable and non-creditable thereafter.

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent as provided herein and in the Administrative Agent Fee Letter. Once paid, none of the Fees shall be refundable under any circumstances.

Section 2.20. Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default pursuant to Section 7.01(b), the Administrative Agent and each Lender (and their respective banking Affiliates) is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding deposits in the Escrow Accounts, Payroll Accounts and other accounts, in each case, held in trust for an identified beneficiary) at any time held and other indebtedness at any time owing by the Administrative Agent and each such Lender (or any of such banking Affiliates) to or for the credit or the account of the Borrower against any and all of any such overdue amounts owing to such Lender (or any of such banking Affiliates) or the Administrative Agent under the Loan Documents, irrespective of whether or not the Administrative Agent or such Lender shall have made any demand under any Loan Document; provided that each Lender agrees promptly to notify the Administrative Agent after any such set off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application; provided, further, that in the event that any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.22(b) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender and the Administrative Agent agree promptly to notify the Borrower after any such set-off and application made by such Lender or the Administrative Agent (or any of such banking Affiliates), as the case may be, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and the Administrative Agent under this Section 2.20 are in addition to other rights and remedies which such Lender and the Administrative Agent may have upon the occurrence and during the continuance of any Event of Default.

Section 2.21. Payment of Obligations. Subject to the provisions of Section 7.01, upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents of the Borrower, the Lenders shall be entitled to immediate payment of such Obligations.

Section 2.22. Defaulting Lenders(a) . (a) Anything herein to the contrary notwithstanding, no Defaulting Lender shall be entitled to receive any fees accruing pursuant to Section 2.19 during the period that such Lender is a Defaulting Lender (without prejudice to the rights of the Non-Defaulting Lenders in respect of such fees).

(b) Any amount paid by the Borrower or otherwise received by the Administrative Agent for the account of a Defaulting Lender with respect to the Term Loan Facility under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to such Defaulting Lender, but shall instead be retained by the Administrative Agent in a Escrow Account until the termination of the Facility and payment in full of all obligations of the Borrower hereunder and will be applied by the Administrative Agent, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority: First to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent, second to the payment of the default interest and then current interest due and payable to the Lenders which are Non-Defaulting Lenders, ratably among them in accordance with the amounts of such interest then due and payable to them, third to the payment of fees then due and payable to the Non-Defaulting Lenders, ratably among them in accordance with the amounts of such fees then due and payable to them, fourth to the ratable payment of other amounts then due and payable to the Non-Defaulting Lenders and fifth after the termination of the Facility and payment in full of all obligations of the Borrower, to pay amounts owing

under this Agreement to such Defaulting Lender or as a court of competent jurisdiction may otherwise direct.

(c) If the Borrower and the Administrative Agent agree in writing that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the Lenders, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any amounts then held in the Escrow Account), such Lender shall purchase at par such portions of outstanding Term Loans of the other Lenders, and/or make such other adjustments, as the Administrative Agent may determine to be necessary to cause the Lenders to hold Term Loans on a pro rata basis in accordance with their respective applicable Delayed Draw Term Loan Commitments and/or Closing Date Term Loan Commitments, whereupon such Lender shall cease to be a Defaulting Lender and will be a Non-Defaulting Lender; provided that no adjustments shall be made retroactively with respect to fees accrued while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender shall constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

Section 2.23. Incremental Term Loans.

(a) Borrower Request. The Borrower may, by written notice to the Administrative Agent from time to time, request an increase to the existing Term Loan Facility (the commitments thereunder, the "Incremental Commitments") in an amount not less than \$50,000,000 individually and not to exceed the applicable Incremental Amount from one or more Incremental Lenders (which may include any existing Lender) willing to provide such Incremental Commitments in their sole discretion; provided that each Incremental Lender (which is not an existing Lender) shall be subject to the approval requirements of Section 10.02. Each such notice shall specify (i) the date (each, an "Increase Effective Date") on which the Borrower proposes that the proposed Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Eligible Assignee to whom the Borrower proposes any portion of such Incremental Commitments be allocated and the amounts of such allocations (each provider of the Incremental Commitments referred to herein as an "Incremental Lender"); provided that any existing Lender approached to provide all or a portion of the proposed Incremental Commitments may elect or decline, in its sole discretion, to provide such Incremental Commitment.

(b) Conditions. Any Incremental Commitments shall become effective as of the applicable Increase Effective Date; provided that:

(i) all representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of such Increase Effective Date (both before and after giving effect thereto and, in the case of each Borrowing of Term Loans pursuant to Incremental Commitments, the application of proceeds therefrom) with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case, such representations and warranties shall be true and correct in all material respects as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Borrowing of Term Loans;

(ii) no Default or Event of Default shall have occurred and be continuing or would result from the Borrowings to be made on such Increase Effective Date; provided, for the avoidance of doubt, that no Default or Event of Default in respect of Section 6.03 shall have occurred and be

continuing nor result from the making of such Borrowing on and as of the applicable Increase Effective Date, without giving effect to any Asset Coverage Ratio Cure Period;

(iii) after giving effect to the incurrence of such Incremental Commitments, the Aggregate Exposure with respect to all Lenders shall not exceed \$4,000,000,000; and

(iv) the Borrower shall have duly executed and delivered to the Administrative Agent a Short Form Mortgage granting first priority Liens and security interests in any additional Pool Assets required to maintain compliance with Section 6.03 (subject to Liens permitted under Section 6.01(a)) in favor of the Administrative Agent, for the benefit of the Lenders, and shall have caused such Short Form Mortgage to be filed with the FAA in order to perfect the Liens on such additional Pool Assets, and a stamped version thereof will be provided to the Administrative Agent and no later than 2 business days after the applicable Increase Effective Date (or such longer period that is reasonably acceptable to the Administrative Agent) the Borrower shall register the International Interest in connection with the applicable Short Form Mortgage with the International Registry.

(c) Terms of Incremental Commitments. The terms and provisions of Term Loans made pursuant to the Incremental Commitments shall be identical to the existing Term Loans. For the avoidance of doubt, Term Loans made in respect of Incremental Commitments made in reliance on this Section 2.23 are intended to be fully fungible with the Closing Date Term Loans and any Delayed Draw Term Loans. Prior to any funding of Term Loans pursuant to Incremental Commitments, the Administrative Agent shall have received a Borrowing Request pursuant to Section 2.03 with respect to such Borrowing.

The Incremental Commitments shall be effected by a joinder agreement (the “Increase Joinder”) executed by the Borrower, the Administrative Agent and each Incremental Lender making such Incremental Commitment, in form and substance reasonably satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.23. In addition, unless otherwise specifically provided herein, all references in Loan Documents to Term Loans shall be deemed, unless the context otherwise requires, to include references to Term Loans made pursuant to Incremental Commitments made pursuant to this Agreement.

Section 3.

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to make Term Loans hereunder, the Borrower represents and warrants as follows:

Section 3.01. Organization and Authority. (a) The Borrower and each of its Material Subsidiaries are duly organized, validly existing and in good standing under the laws of the jurisdiction of their organization and are duly qualified and in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect, (b) the Borrower has the requisite corporate or limited liability company power and authority to effect the Transactions, and (c) the Borrower and each of its Material Subsidiaries have all requisite power and authority and the legal right to own or lease and operate their properties, and to conduct their business as now or currently proposed to be conducted. On the Closing Date, the Borrower has no Material Subsidiaries.

Section 3.02. Air Carrier Status. The Borrower is an “air carrier” within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower is a “citizen of the United States” as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies (a “United States Citizen”). The Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted except where failure to so possess would not, in the aggregate, have a Material Adverse Effect.

Section 3.03. Due Execution. The execution, delivery and performance by the Borrower of each of the Loan Documents to which it is a party (a) are within its corporate powers, have been duly authorized by all necessary corporate action, including the consent of shareholders where required, and do not (i) contravene the charter or by-laws of the Borrower, (ii) violate any applicable law (including, without limitation, the Exchange Act) or regulation (including, without limitation, Regulations T, U or X of the Board), or any order or decree of any court or Governmental Authority, other than violations by the Borrower which would not reasonably be expected to have a Material Adverse Effect or (iii) conflict with or result in a breach of, constitute a default under, or create an adverse liability or rights under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on the Borrower or any of its properties, which, in the aggregate, would reasonably be expected to have a Material Adverse Effect; and (b) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) approvals, consents and exemptions that have been obtained on or prior to the Closing Date and remain in full force and effect and (ii) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect. Each Loan Document has been duly executed and delivered by the Borrower. This Agreement is, and each of the other Loan Documents to which the Borrower is or will be a party, when delivered hereunder or thereunder, will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.04. Financial Statements; Material Adverse Change.

(a) The Borrower has furnished to the Administrative Agent on behalf of the Lenders copies of the audited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2019, reported on by Ernst & Young LLP. Such financial statements present fairly, in all material respects, in accordance with GAAP, the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis as of the date thereof and for the period covered thereby (subject to normal year-end audit adjustments and the absence of footnotes in the case of the unaudited financial statements). Documents required to be delivered pursuant to this Section 3.04(a) which are made available via EDGAR, or any successor system of the SEC, in the Borrower’s Annual Report on Form 10-K, shall be deemed delivered to the Administrative Agent and the Lenders on the date such documents are made so available.

(b) Except as disclosed in (i) the Borrower’s current report on Form 8-K, dated March 10, 2020, and (ii) the Borrower’s current report on Form 8-K, dated March 13, 2020 (in each case, including exhibits and other information incorporated by reference therein, but excluding any disclosures included therein to the extent they are predictive or forward-looking in nature), since December 31, 2019, there has been no Material Adverse Change.

Section 3.05. Use of Proceeds. The proceeds of the Term Loans shall be used for working capital and other general corporate purposes of the Borrower and its Subsidiaries (including the repayment of Indebtedness and the payment of fees and transaction costs as contemplated hereby and as referred to in Section 2.19), and no part of the proceeds of any Term Loan will be used for any purpose which would violate, or be inconsistent with, any of the margin regulations of the Board.

Section 3.06. Litigation and Compliance with Laws.

(a) There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its properties (including any Pool Assets), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (i) that are likely to have a Material Adverse Effect or (ii) that purport to, or could reasonably be expected to, affect the legality, validity, binding effect or enforceability of the Loan Documents or, in any material respect, the rights and remedies of the Administrative Agent or the Lenders thereunder or in connection with the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (i) the Borrower and each of its Material Subsidiaries are currently in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities in respect of the conduct of their business and ownership of their property (including compliance with all applicable Environmental Laws governing their business), and (ii) none of the Borrower or its Subsidiaries has (x) become subject to any Environmental Liability, or (y) received written notice of any pending or, to the knowledge of the Borrower, threatened claim with respect to any Environmental Liability.

Section 3.07. Investment Company Act. The Borrower is not, and is not required to be, registered as an “investment company” under the Investment Company Act of 1940, as amended.

Section 3.08. ERISA. No Termination Event has occurred or is reasonably expected to occur that would reasonably be expected to have a Material Adverse Effect.

Section 3.09. Title to Pool Assets(a) . The Borrower and each of its Material Subsidiaries own all of the Pool Assets which are owned or used in connection with their business, except to the extent that such failure would not reasonably be expected to have a Material Adverse Effect.

Section 3.10. Payment of Taxes. Each of the Borrower and its Material Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid when due all Taxes required to have been paid by it, except and solely to the extent that, in each case (a) such Taxes are being contested in good faith by appropriate proceedings and the Borrower or such Material Subsidiary, as applicable, has set aside on its books adequate reserves therefor in accordance with GAAP or (b) the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 3.11. Economic Sanctions.

(a) Neither the Borrower nor any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer or employee of the Borrower or such Subsidiary (each, a “Specified Person”) is an individual or entity currently the subject of any sanctions administered or enforced by the United States (including but not limited to OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority

(collectively, “Sanctions”), nor is the Borrower or any of its Subsidiaries located, organized or resident in a country or territory that is the subject of Sanctions.

(b) No Specified Person will use any proceeds of the Term Loans or lend, contribute or otherwise make available such proceeds to any Person for the purpose of funding, financing or facilitating the activities of or with any Person or in any country or territory that, at the time of such financing, is the subject of Sanctions, except to the extent licensed by OFAC or otherwise authorized under U.S. law.

(c) The Borrower, its Subsidiaries, and to the knowledge of the Borrower, the respective officers and directors of the Borrower and such Subsidiary are in compliance in all material respects with applicable Sanctions and will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with such laws.

Section 3.12. Anti-Corruption Laws. The Borrower and its Subsidiaries and, to the knowledge of the Borrower, the directors, officers, agents, and employees of the Borrower and its Subsidiaries are in compliance in all material respects with all applicable anti-corruption laws. The Borrower and its Subsidiaries will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

Section 4.

CONDITIONS OF LENDING

Section 4.01. Conditions Precedent to Effectiveness and Funding of the Closing Date Term Loans. The effectiveness of this Agreement and the obligation of the Lenders to make the Closing Date Term Loans are subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

(a) Supporting Documents. The Administrative Agent shall have received with respect to the Borrower:

(i) a copy of the Borrower’s certificate of incorporation, as amended, certified as of a recent date by the Secretary of State of the state of its incorporation or formation;

(ii) a certificate of the Secretary of State of the state of the Borrower’s incorporation, dated as of a recent date, as to the good standing of the Borrower (to the extent available in the applicable jurisdiction) and as to the charter documents on file in the office of such Secretary of State;

(iii) a certificate of the Secretary or an Assistant Secretary of the Borrower dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of the Borrower as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors of the Borrower or an authorized committee thereof authorizing the Borrowings hereunder and the execution, delivery and performance in accordance with their respective terms of this Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, (C) that the certificate of incorporation of the Borrower has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another officer of

the Borrower as to the incumbency and signature of the officer signing the certificate referred to in this clause (iii)); and

(iv) an Officer's Certificate from the Borrower certifying (A) as to the accuracy in all material respects of the representations and warranties contained in the Loan Documents as though made on and as of the Closing Date, except to the extent that any such representation or warranty by its terms is made as of a different specified date, in which case such representation or warranty shall be or was true and correct in all material respects as of such date (provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects as of the applicable date), in each case before and after giving effect to the Transactions and (B) as to the absence of any Default or Event of Default occurring and continuing on the Closing Date before and after giving effect to the Transactions.

(b) Credit Agreement. The Borrower shall have duly executed and delivered to the Administrative Agent this Agreement.

(c) [Reserved].

(d) Opinions of Counsel. The Administrative Agent, and the Lenders shall have received:

(i) a written opinion of David S. Cartee, Associate General Counsel for the Borrower, in a form reasonably satisfactory to the Administrative Agent; and

(ii) a written opinion of Davis Polk & Wardwell LLP, special New York counsel to the Borrower, in a form reasonably satisfactory to the Administrative Agent.

(e) Payment of Fees and Expenses. The Borrower shall have paid to the Administrative Agent and the Lenders, as applicable, the Fees as referred to in Section 2.19(a) and (c), and all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Simpson Thacher & Bartlett LLP) for which invoices have been presented at least one (1) Business Day prior to the Closing Date, or the Borrower shall have authorized that such Fees and expenses be deducted from the proceeds of the initial funding under the Closing Date Term Loans.

(f) Representations and Warranties. All representations and warranties of the Borrower contained in this Agreement and the other Loan Documents executed and delivered on the Closing Date shall be true and correct in all material respects on and as of the Closing Date, before and after giving effect to the Transactions, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case such representation or warranty shall be true and correct in all material respects as of such specified date); provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the Transactions.

(g) No Default. Before and after giving effect to the Transactions, no Default or Event of Default shall have occurred and be continuing on the Closing Date.

(h) Patriot Act. The Lenders shall have received at least three (3) days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, that such Lenders shall have requested at least ten (10) days prior to the Closing Date.

(i) Notice. The Administrative Agent shall have received a Borrowing Request pursuant to Section 2.03 with respect to the Borrowing of Closing Date Term Loans.

(j) Short-Form Aircraft Mortgage. The Borrower shall have duly executed and delivered to the Administrative Agent a short-form aircraft mortgage (the "Short Form Mortgage") granting first priority Liens and security interests in the Pool Assets (subject to Liens permitted under Section 6.01(a)) in favor of the Administrative Agent, for the benefit of the Lenders, and shall have caused such Short Form Mortgage to be filed with the FAA in order to perfect the Liens on the Pool Assets, and a stamped version thereof will be provided to the Administrative Agent. For the avoidance of doubt, no legal opinions with respect to collateral or FAA matters in connection with the Short Form Mortgage will be required on the Closing Date.

The execution by each Lender of this Agreement shall be deemed to be confirmation by such Lender that any condition relating to such Lender's satisfaction or reasonable satisfaction with any documentation set forth in this Section 4.01 has been satisfied as to such Lender.

Section 4.02. Conditions Precedent to the Funding of Each Delayed Draw Term Loan. The obligation of the Lenders to make each Delayed Draw Term Loan on the applicable Delayed Draw Funding Date is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a Borrowing Request pursuant to Section 2.03 with respect to such Borrowing.

(b) Representations and Warranties. All representations and warranties contained in this Agreement and the other Loan Documents (other than the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) shall be true and correct in all material respects on and as of each Delayed Draw Funding Date (both before and after giving effect thereto and, in the case of each Borrowing of Delayed Draw Term Loans, the application of proceeds therefrom) with the same effect as if made on and as of such date except to the extent such representations and warranties expressly relate to an earlier date and in such case, such representations and warranties shall be true and correct in all material respects as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to such Borrowing of Delayed Draw Term Loans.

(c) No Default. On each Delayed Draw Funding Date, no Default or Event of Default shall have occurred and be continuing nor result from the making of the requested Borrowing of Delayed Draw Term Loans and the application of proceeds thereof; provided, for the avoidance of doubt, that no Default or Event of Default in respect of Section 6.03 shall have occurred and be continuing nor result from the making of such Borrowing on and as of the date of such Borrowing, without giving effect to any Asset Coverage Ratio Cure Period.

(d) Capacity. The amount of the requested Delayed Draw Term Loans shall not exceed the remaining amount of the Delayed Draw Term Loan Commitment then in effect.

The request by the Borrower for, and the acceptance by the Borrower of, each of the Delayed Draw Term Loans hereunder shall be deemed to be a representation and warranty by the Borrower that the conditions specified in this Section 4.02 have been satisfied at that time.

Section 5.

AFFIRMATIVE COVENANTS

From the date hereof and for so long as the Delayed Draw Term Loan Commitments remain in effect and any principal of or interest on any Term Loan remain outstanding, the Borrower agrees to:

Section 5.01. Financial Statements, Reports, etc. Deliver to the Administrative Agent on behalf of the Lenders:

(a) Within ninety (90) days after the end of each fiscal year, the Borrower's consolidated balance sheet and related statement of income and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal year and the results of their respective operations during such year, the consolidated statement of the Borrower to be audited for the Borrower by Ernst & Young LLP or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (without a "going concern" or like qualification or exception and without any more qualification or exception as to the scope of such audit, except for any such qualification solely as a result of (x) an impending debt maturity within twelve (12) months of the Term Loan Facility under this Agreement or (y) a potential inability to satisfy any financial covenant) and to be certified by a Responsible Officer of the Borrower to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP. Documents required to be delivered pursuant to this clause (a) which are made publicly available via EDGAR, or any successor system of the SEC, in the Borrower's Annual Report on Form 10-K, shall be deemed delivered to the Lenders on the date such documents are made so available;

(b) Within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year, the Borrower's consolidated balance sheets and related statements of income and cash flows, showing the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of their operations during such fiscal quarter and the then elapsed portion of the fiscal year, each certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes. Documents required to be delivered pursuant to this clause (b) which are made publicly available via EDGAR, or any successor system of the SEC, in the Borrower's Quarterly Report on Form 10-Q, shall be deemed delivered to the Lenders on the date such documents are made so available;

(c) concurrently with any delivery of financial statements under (a) and (b) above, a certificate of a Responsible Officer of the Borrower (in substantially the form of Exhibit A) (i) certifying that, to the knowledge of such Responsible Officer, no Event of Default has occurred, or, if, to the knowledge of such Responsible Officer, such an Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the provisions of Sections 6.03 and 6.04;

(d) prompt written notice of any Termination Event that has occurred, or is reasonably expected to occur, to the extent such Termination Event would constitute an Event of Default under Section 7.01(l);

(e) promptly after a Responsible Officer of the Borrower obtains knowledge of the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect, notification thereof;

(f) (i) on the date on which any Investment Property that is not listed on a national securities exchange is initially included as Additional Pool Assets, an Officer's Certificate from the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the book value of such Investment Property as of the last day of the month most recently ended, together with all supporting documents with respect to such Investment Property as the Administrative Agent may reasonably request and (ii) at any time thereafter that any Investment Property that is not listed on a national securities exchange shall be included as Additional Pool Assets, concurrently with any delivery of financial statements under clause (a) or (b) above in respect of each fiscal quarter of the Borrower, an Officer's Certificate from the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, setting forth the book value of such Investment Property as of the last day of such fiscal quarter, together with all supporting documents with respect to such Investment Property as the Administrative Agent may reasonably request; and

(g) if an Event of Default has occurred and is continuing, any subsequent Appraisal Report reasonably requested by the Administrative Agent or the Required Lenders, in each case as soon as reasonably practicable after receipt by the Borrower of such request.

Subject to the next succeeding sentence, information delivered pursuant to this Section 5.01 to the Administrative Agent may be made available by the Administrative Agent to the Lenders by posting such information on the Intralinks website on the Internet at <http://www.intralinks.com>. Information delivered pursuant to this Section 5.01 may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent pursuant to Section 10.01 hereto. Information required to be delivered pursuant to this Section 5.01 (to the extent not made available as set forth above) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower provides written notice to the Administrative Agent that such information has been posted on the Borrower's website on the Internet at <http://www.delta.com> (to the extent such information has been posted or is available as described in such notice). Information required to be delivered pursuant to this Section 5.01 shall be in a format which is suitable for transmission.

Any notice or other communication delivered pursuant to this Section 5.01, or otherwise pursuant to this Agreement, shall be deemed to contain material non-public information unless (i) expressly marked by the Borrower as "PUBLIC", (ii) such notice or communication consists of copies of the Borrower's public filings with the SEC or (iii) such notice or communication has been posted on the Borrower's website on the Internet at <http://www.delta.com>.

Section 5.02. Existence. Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business except (a) if such failure to preserve the same could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (b) as otherwise permitted in connection with (i) sales of assets not restricted by Section 6.05 or (ii) mergers, liquidations and dissolutions permitted by Section 6.02.

Section 5.03. Insurance. Maintain with financially sound and reputable insurance companies, insurance of such types and in such amounts (after giving effect to any self-insurance) as is customary in the United States domestic airline industry for major United States air carriers having both substantial domestic and international operations or otherwise in the Borrower's ordinary course of

business and consistent with past practice, except to the extent that the failure to maintain such insurance could not reasonably be expected to result in a Material Adverse Effect.

Section 5.04. Maintenance of Properties. Except to the extent otherwise permitted hereunder, in its reasonable business judgment, keep and maintain, and cause each of its Material Subsidiaries to keep and maintain, all property material to the conduct of its business in good working order and condition (ordinary wear and tear and damage by casualty and condemnation excepted), except where the failure to keep such property in good working order and condition would not have a Material Adverse Effect.

Section 5.05. Obligations and Taxes. Pay, and cause each of its Material Subsidiaries to pay, all its and their material obligations promptly and in accordance with their terms, and pay and discharge promptly all taxes, assessments, governmental charges, levies or claims imposed upon it or upon its income or profits or in respect of its property, before the same shall become more than ninety (90) days delinquent, except in each case where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; provided, however, that the Borrower and each of its Material Subsidiaries shall not be required to pay and discharge or to cause to be paid and discharged any such obligation, tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings and (ii) the Borrower and its Material Subsidiaries shall have set aside on their books adequate reserves therefor in accordance with GAAP.

Section 5.06. Notice of Event of Default, etc. Promptly upon knowledge thereof by a Responsible Officer of the Borrower, give to the Administrative Agent notice in writing of any Default or Event of Default.

Section 5.07. Access to Books and Records. Maintain or cause to be maintained at all times true and complete books and records in all material respects in a manner consistent with GAAP in all material respects of the financial operations of the Borrower and provide the Administrative Agent and its representatives and advisors reasonable access to all such books and records (subject to requirements under any confidentiality agreements, if applicable), as well as any appraisals of the Pool Assets, during regular business hours, in order that the Administrative Agent may upon reasonable prior notice and with reasonable frequency, but in any event, so long as no Event of Default has occurred and is continuing, no more than one (1) time per year, examine and make abstracts from such books, accounts, records, appraisals and other papers, and permit the Administrative Agent and its respective representatives and advisors to confer with the officers of the Borrower and representatives (provided that the Borrower shall be given the right to participate in such discussions with such representatives) of the Borrower, all for the purpose of verifying the accuracy of the various reports delivered by the Borrower to the Administrative Agent or the Lenders pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement; and at any reasonable time and from time to time during regular business hours, upon reasonable notice to the Borrower, permit the Administrative Agent and any agents or representatives (including, without limitation, appraisers) thereof to visit the properties of the Borrower and to conduct examinations of and to monitor the Pool Assets, in each case at the expense of the Borrower (provided that the Borrower shall not be required to pay the expenses of more than one (1) such visit a year unless an Event of Default has occurred and is continuing); provided, however, that (a) any such inspection of Aircraft (i) shall be limited to the Pool Assets, (ii) shall be a visual, walk-around inspection and (iii) may not include opening any panels, bays or the like and (b) no exercise of any inspection rights provided for in this Section 5.07 shall interfere with the normal operation or maintenance of any Aircraft by, or the business of, the Borrower.

Section 5.08. Compliance with Laws. Comply, and cause each of its Material Subsidiaries to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including Environmental Laws), except where such noncompliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance with anti-corruption laws and Sanctions.

Section 5.09. FAA and DOT Matters; Citizenship. (a) Maintain at all times its status as an “air carrier” within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49; (b) at all times hereunder be a United States Citizen; and (c) maintain at all times its status at the FAA as an air carrier and hold an air carrier operating certificate and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Parts 119 and 121 as currently in effect or as may be amended or recodified from time to time. Except as specifically permitted herein, possess and maintain all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations, frequencies and consents which are material to the operation, consistent with the conduct of its business and operations as currently conducted, of any Pool Assets, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.10. Post-Closing Items.(a) (a) By the Appraisal Delivery Date, submit to the Administrative Agent (for distribution to the Lenders) the Initial Appraisal Report and such Initial Appraisal Report shall demonstrate that, on the date of delivery of such Initial Appraisal Report, the Borrower shall be in compliance on a pro forma basis with Section 6.03. The Borrower may from time to time cause to be delivered subsequent Appraisal Reports if it believes that any affected Pool Asset has a higher Appraised Value than that reflected in the most recent Appraisal Report delivered.

(b) (i) No later than 14 days after the Closing Date (or such longer period that is reasonably acceptable to the Administrative Agent; provided that in the event of any disruptions to the ordinary course operations of the FAA, including as a result of any technical difficulties or other delays, this deadline will be extended in a manner to be mutually agreed by the Borrower and the Administrative Agent), the Borrower shall (A) execute and deliver the Mortgage Related Amendments and (B) cause to be provided to the Administrative Agent (x) a customary New York law legal opinion with respect to the enforceability of, and creation of the security interests under, the Short Form Mortgage as amended by the Mortgage Related Amendments and (y) a customary FAA opinion covering the filing of the Short Form Mortgage as amended by the Mortgage Related Amendments with the FAA and the International Registry and the perfection of the first priority mortgage on the Pool Assets and (ii) no later than 2 business days after the Closing Date (or such longer period that is reasonably acceptable to the Administrative Agent) the Borrower shall register the International Interest in connection with the Short Form Mortgage with the International Registry; provided that (x) for the avoidance of doubt, the Borrower will have the right to replace or exchange any Pool Assets and/or add Additional Pool Assets as contemplated by Section 10.08(f) and (y) the Liens on any disposed Pool Assets shall be automatically released upon the consummation of such disposition, so long as the Borrower is in compliance with Section 6.05, and the Administrative Agent shall be authorized to take, and shall take, any actions requested by the Borrower or otherwise deemed appropriate in order to effect the foregoing. The Borrower and the Administrative Agent shall be permitted, without the consent of any other Lender, to effect such amendments to this Agreement and the other Loan Documents as are mutually agreed between the Borrower and the Administrative Agent in order to incorporate customary mortgage provisions and operational covenants consistent with the Borrower’s past practices (such amendments, the “Mortgage Related Amendments”).

Section 6.

NEGATIVE COVENANTS

From the date hereof and for so long as the Delayed Draw Term Loan Commitments and any principal of or interest on any Term Loan remain outstanding, the Borrower will not:

Section 6.01. Liens on the Pool Assets. As of the Appraisal Delivery Date,

(a) Incur, create, assume or suffer to exist (or permit any Subsidiary to incur, create, assume or suffer to exist) any Lien upon or with respect to the Pool Assets, or enter into any arrangement (or permit any Subsidiary to enter into any arrangement) with any Person that would materially negatively impact the value of any Pool Asset realizable by any third party or assign any right to receive the proceeds from the sale, transfer or disposition of any of the Pool Assets, or file or authorize the filing with respect to any of the Pool Assets of any financing statement naming the Borrower or any Subsidiary as debtor under the UCC or any similar notice of Lien naming the Borrower or any Subsidiary as debtor under any similar recording or notice statute (including, without limitation, any filing under Title 49, United States Code, Section 44107), other than:

(i) Liens for taxes, assessments or governmental charges or claims that (x) are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor or (y) are not yet delinquent;

(ii) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;

(iii) Restrictions arising under this Agreement;

(iv) Liens constituting normal operational usage of the affected property, including leases, subleases, use agreements, swap agreements, charter, third party maintenance, storage, leasing, pooling or interchange thereof; and

(v) Liens imposed by law such as materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that (x) are not overdue for a period of more than thirty (30) days, provided that no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced with respect thereto, or (y) are being contested in good faith and for which adequate reserves are established in accordance with GAAP.

(b) Enter into or suffer to exist (or permit any Subsidiary to enter into or suffer to exist) any agreement prohibiting or conditioning the creation or assumption of any first priority Lien upon any Pool Asset to secure Indebtedness or other obligations of the Borrower or of any Subsidiary of the Borrower that holds Pool Assets.

Section 6.02. Merger, etc.

(a) Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired) unless:

(i) immediately after giving effect thereto no Default or Event of Default shall have occurred and be continuing;

(ii) the Borrower is the surviving corporation or, if otherwise, (x) such other Person or continuing corporation (the “Successor Company”) is a corporation or other entity organized under the laws of a state of the United States and (y) such Successor Company is a U.S. certificated air carrier; and

(iii) in the case of a Successor Company, the Successor Company shall (A) execute, prior to or contemporaneously with the consummation of such transaction, such agreements, if any, as are in the reasonable opinion of the Administrative Agent, necessary to evidence the assumption by the Successor Company of liability for all of the obligations of the Borrower hereunder and the other Loan Documents and (B) cause to be delivered to the Administrative Agent and the Lenders such legal opinions (which may be from in-house counsel) as any of them may reasonably request in connection with the matters specified in the preceding clause (A) and (C) provide such information as each Lender or the Administrative Agent reasonably requests in order to perform its “know your customer” due diligence with respect to the Successor Company.

Upon any consolidation or merger in accordance with this Section 6.02(a) in any case in which the Borrower is not the surviving corporation, the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, the Borrower under this Agreement with the same effect as if such Successor Company had been named as the Borrower herein. No such consolidation or merger shall have the effect of releasing the Borrower or any Successor Company which theretofore shall have become a successor to the Borrower in the manner prescribed in this Section 6.02(a) from its liability with respect to any Loan Document to which it is a party.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution).

Section 6.03. Asset Coverage Ratio. Permit at any time the ratio (the “Asset Coverage Ratio”) of (i) the Appraised Value of the Pool Assets to (ii) the aggregate principal amount of all Term Loans and Delayed Draw Term Loan Commitments then outstanding to be less than 1.25 to 1.00 (the “Asset Coverage Test”), provided that if, (A) upon delivery of an Appraisal Report pursuant to this Agreement and (B) solely with respect to determining compliance with this Section 6.03 and Section 6.05 as a result thereof, it is determined that the Borrower shall not be in compliance with this Section 6.03, the Borrower shall, within sixty (60) days of the date of such Appraisal Report (an “Asset Coverage Ratio Cure Period”), (1) designate Additional Pool Assets as additional Pool Assets in accordance with Section 6.05(a) (including the modification of Schedule 6.05 to reflect such designation) to the extent that, after giving effect to such designation, the Appraised Value of the Pool Assets, based on the most recently delivered Appraisal Report with respect to assets already constituting Pool Assets and based on an Appraisal Report performed at (or relatively contemporaneously with) the time of such addition with respect to assets being added to Pool Assets, shall satisfy the Asset Coverage Test or (2) prepay the Term Loans in accordance with Section 2.12(a) and/or terminate Delayed Draw Term Loan Commitments in accordance with Section 2.11 in an amount sufficient to enable the Borrower to comply with this Section 6.03.

Section 6.04. Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio at the end of any quarterly financial reporting period to be less than 1.25 to 1.00.

Section 6.05. Disposition of Pool Assets. Convey, sell, lease, transfer or otherwise dispose of (or permit any Subsidiary to convey, sell, lease, transfer or otherwise dispose of), whether voluntarily or involuntarily (it being understood that loss of property due to theft, destruction, confiscation, prohibition on use or similar event shall constitute a disposal for purposes of this covenant),

or remove or substitute (or permit any Subsidiary to remove or substitute), any Pool Asset (or any engine included in the Pool Assets unless such engine is replaced by another working engine or engines of comparable value, assuming half-time condition) or agree (or permit any Subsidiary to agree) to do any of the foregoing in respect of the Pool Assets at any future time, except that:

(a) so long as no Event of Default exists, the Borrower or any of its Subsidiaries may replace a Pool Asset with an Additional Pool Asset of the Borrower or any Subsidiary (and Schedule 6.05 shall be modified to reflect such replacement), provided that (x) such replacement shall be made on at least a dollar-for-dollar basis based upon (A) in the case of the asset being removed from the Pool Assets, the Appraised Value of such Pool Asset (as determined by the most recently delivered Appraisal Report with respect to such Pool Asset) and (B) in the case of the asset being added to the Pool Assets, the Appraised Value of such asset (as determined by an Appraisal Report performed at (or relatively contemporaneously with) the time of such replacement) and (y) prior to effecting the replacement, the Borrower shall have delivered an Officer's Certificate to the Administrative Agent certifying compliance with Section 6.01 and this Section 6.05 and attaching to such certificate an Appraisal Report; and

(b) so long as no Event of Default exists or would result therefrom, the Borrower or any of its Subsidiaries owning a Pool Asset may remove an asset from the Pool Assets (and Schedule 6.05 shall be modified to reflect such removal), provided that (x) after giving effect to such removal, the Appraised Value of the remaining Pool Assets (as determined by an Appraisal Report of all Pool Assets performed at (or relatively contemporaneously with) the time of such removal) shall satisfy the Asset Coverage Test, and (y) prior to effecting the removal, the Borrower shall have delivered an Officer's Certificate to the Administrative Agent certifying that, and providing calculations demonstrating that, after giving effect to such removal, the Appraised Value of the Pool Assets shall satisfy the Asset Coverage Test, and otherwise certifying compliance with this Section 6.05 and attaching to such certificate Appraisal Report of all Pool Assets obtained in connection with such removal.

Section 7.

EVENTS OF DEFAULT

Section 7.01. Events of Default. In the case of the happening of any of the following events and the continuance thereof beyond the applicable grace period if any (each, an "Event of Default"):

(a) any representation or warranty made by the Borrower in this Agreement or in any other Loan Document shall prove to have been false or misleading in any material respect when made and such representation, to the extent capable of being corrected, is not corrected within thirty (30) days after the earlier of (A) a Responsible Officer of the Borrower obtaining knowledge of such default or (B) receipt by the Borrower of notice from the Administrative Agent of such default; or

(b) default shall be made in the payment of (i) any Fees or interest on the Term Loans and such default shall continue unremedied for more than five (5) Business Days, (ii) any other amounts payable hereunder when due (other than amounts set forth in clauses (i) and (iii) hereof), and such default shall continue unremedied for more than ten (10) Business Days, or (iii) any principal of the Term Loans, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise; or

(c) default shall be made by the Borrower in the due observance or performance of any covenant, condition or agreement contained in Section 6 hereof (subject to the Borrower's right to cure non-compliance with the covenant contained in Section 6.03 as described therein); or

(d) default shall be made by the Borrower in the due observance or performance of any other covenant, condition or agreement to be observed or performed pursuant to the terms of this Agreement or any of the other Loan Documents and, other than with respect to Section 5.10, such default shall continue unremedied for more than thirty (30) days from the earlier of (i) a Responsible Officer having knowledge of such default and (ii) written notice to the Borrower from the Administrative Agent of such default; or

(e) (i) failure by the Borrower or any Material Subsidiary to pay any principal of or interest on any Material Indebtedness when due (or, where permitted, within any applicable grace period), whether by scheduled maturity, required prepayment, acceleration, demand or otherwise and such default continues unremedied for five (5) Business Days after such due date or applicable grace period or (ii) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity; provided, however, that if any such failure, breach or default shall be waived or cured (as evidenced by a writing from such holder or trustee) then, to the extent of such waiver or cure, the Event of Default hereunder by reason of such failure, breach or default shall be deemed likewise to have been thereupon waived or cured; or

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or

(g) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (f) of this Section 7.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(h) the Borrower or any Material Subsidiary admits in writing its inability to pay its debts; or

(i) [reserved]; or

(j) any material provision of any Loan Document shall, for any reason, cease to be valid and binding on the Borrower, or the Borrower shall so assert in any pleading filed in any court; or

(k) any final judgment in excess of \$200,000,000 (exclusive of any judgment or order the amounts of which are fully covered by insurance less any applicable deductible and as to which the insurer has been notified of such judgment and has not denied coverage) shall be rendered against the Borrower or any of its Material Subsidiaries and the enforcement thereof shall not have been stayed, vacated, satisfied, discharged or bonded pending appeal within sixty (60) consecutive days; or

(l) any Termination Event that could reasonably be expected to result in a Material Adverse Effect shall have occurred;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may (with the consent of the Required Lenders), and at the request of the Required Lenders, the Administrative Agent shall, by written notice to the Borrower, take one or more of the following actions, at the same or different times: (i) terminate forthwith the Delayed Draw Term Loan Commitments; (ii) declare the Term Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of the Term Loans and other Obligations together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and (iii) exercise any and all remedies under the Loan Documents and under applicable law available to the Administrative Agent and the Lenders. In case of any event with respect to the Borrower described in clause (f) or (g) of this Section 7.01, the actions and events described in (i) and (ii) above shall be required or taken automatically, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Any payment received as a result of the exercise of remedies hereunder shall be applied in accordance with Section 2.17(b).

Section 8.

THE AGENTS

Section 8.01. Administration by Agents. (a) Each of the Lenders hereby irrevocably appoints JPMCB to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 8.02. Rights of Administrative Agent. Any institution serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the institution serving as the Administrative Agent hereunder in its individual capacity. Such institution and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such institution were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 8.03. Liability of the Administrative Agent.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, (i) the Administrative Agent

shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing, (ii) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08 or in the other Loan Documents) and (iii) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the institution serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent will believe in good faith shall be necessary, under the circumstances as provided in Section 10.08 and the final paragraph of Article 7) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for, or have any duty to ascertain or inquire into, (A) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (B) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (D) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (E) the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, and (iv) the Administrative Agent will not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, or similar law now or hereafter in effect.

(b) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(c) The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the

negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 8.04. Reimbursement and Indemnification. Each Lender agrees (a) to reimburse on demand the Administrative Agent for such Lender's Aggregate Exposure Percentage of any expenses and fees incurred for the benefit of the Lenders under this Agreement and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in connection with the operations or enforcement thereof, not reimbursed by the Borrower and (b) to indemnify and hold harmless the Administrative Agent and any of its Related Parties, on demand, in the amount equal to such Lender's Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents to the extent not reimbursed by the Borrower (except such as shall result from its gross negligence or willful misconduct).

Section 8.05. Successor Agents. The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent (provided no Event of Default has occurred and is continuing) of the Borrower (such consent not to be unreasonably withheld or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders with the consent of the Borrower (such consent not to be unreasonably withheld or delayed)) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), in consultation with the Borrower, on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. For the avoidance of doubt, whether or not a successor Administrative Agent has been appointed, the retiring Administrative Agent's resignation shall nonetheless become effective in accordance with such notice of resignation on the Resignation Effective Date. With effect from the Resignation Effective Date, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

Section 8.06. Independent Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their

Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 8.07. Advances and Payments.

(a) On the date of each Term Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Term Loan to be made by it in accordance with its Closing Date Term Loan Commitment or Delayed Draw Term Loan Commitment, as applicable, hereunder. Should the Administrative Agent do so, each of the Lenders agrees forthwith to reimburse the Administrative Agent in immediately available funds for the amount so advanced on its behalf by the Administrative Agent, together with interest at the NYFRB Rate if not so reimbursed on the date due from and including such date but not including the date of reimbursement.

(b) Any amounts received by the Administrative Agent in connection with this Agreement (other than amounts to which the Administrative Agent is entitled pursuant to Sections 2.18, 2.19, 8.04 and 10.04), the application of which is not otherwise provided for in this Agreement, shall be applied in accordance with Section 2.17(b). All amounts to be paid to a Lender by the Administrative Agent shall be credited to that Lender, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in that Lender's correspondent account with the Administrative Agent, as such Lender and the Administrative Agent shall from time to time agree.

Section 8.08. Sharing of Setoffs. Each Lender agrees that, except to the extent this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under the Term Loan Facility, if it shall, through the exercise either by it or any of its banking Affiliates of a right of banker's lien, setoff or counterclaim against the Borrower, including, but not limited to, a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender (or any of its banking Affiliates) under any applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Term Loans as a result of which the unpaid portion of its Term Loans is proportionately less than the unpaid portion of the Term Loans of any other Lender (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the Term Loans of such other Lender, so that the aggregate unpaid principal amount of each Lender's Term Loans and its participation in Term Loans of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Term Loans then outstanding, as the principal amount of its Term Loans prior to the obtaining of such payment was to the principal amount of all Term Loans outstanding, prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders under the Term Loan Facility share such payment pro-rata, provided that if any such non-pro-rata payment is thereafter recovered or otherwise set aside, such purchase of participations shall be rescinded (without interest). The Borrower expressly consents to the foregoing arrangements and agrees, to the fullest extent permitted by law, that any Lender holding (or deemed to be holding) a participation in a Term Loan acquired pursuant to this Section or any of its banking Affiliates may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender as fully as if such Lender was the original obligee thereon, in the amount of such participation.

Section 8.09. Other Agents. No Agent (other than the Administrative Agent) shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, no such Agent shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any such Agent in deciding to enter into this Agreement or in taking or not taking action hereunder.

Section 8.10. Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or the Administrative Agent has paid over to the Internal Revenue Service applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, without duplication of any indemnification obligations set forth in Section 8.04, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any expenses incurred.

Section 8.11. Certain ERISA Matters(a) . (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Term Loans and this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Term Loans and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Term Loans and this Agreement, (C) the entrance into, participation in, administration of and performance of the Term Loans and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84- 14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Term Loans and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and

covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Term Loans and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 9.

[RESERVED]

Section 10.

MISCELLANEOUS

Section 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein or under any other Loan Document shall be in writing (including by facsimile or electronic mail (other than to the Borrower, unless agreed by the Borrower in its sole discretion) pursuant to procedures approved by the Administrative Agent), and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or electronic mail (other than to the Borrower, unless agreed by the Borrower in its sole discretion), as follows:

(i) if to the Borrower, to it at Delta Air Lines, Inc., 1030 Delta Boulevard, Atlanta, GA 30354, Attention of: (x) Treasurer, Dept. 856, Telecopier No.: (404) 715-3110, Telephone No.: (404) 715-5993 and (y) Chief Legal Officer, Dept. 971, Telecopier No.: (404) 715-2233, Telephone No.: (404) 715-2191;

(ii) if to JPMCB as Administrative Agent, to it at JPMorgan Chase Bank, N.A., 500 Stanton Christiana Rd., NCC5 / 1st Floor, Newark, DE 19713, Attention: Matthew Reed, Telephone No.: +1-302-634-4648, Email: matthew.p.reed@chase.com, with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention of: Cristina Caviness (Email Address: cristina.caviness@jpmorgan.com); and

(iii) if to any Lender, to it at its address (or telecopy number) set forth in its administrative questionnaire in a form as the Administrative Agent may require.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other

communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 10.02. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder (other than as permitted by Section 6.02(a)) without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.02. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (d) of this Section 10.02) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Term Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Administrative Agent; provided that no consent of the Administrative Agent shall be required if the assignee is a Lender or an Affiliate of a Lender; and

(B) the Borrower; provided that no consent of the Borrower shall be required for an assignment (i) if an Event of Default under Section 7.01(b), Section 7.01(f) or Section 7.01(g) has occurred and is continuing or (ii) if the assignee is a Lender or an Eligible Affiliate Assignee; provided further, that the Borrower will be deemed to have consented to any assignment of Term Loans unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received written notice thereof;

(ii) Assignments shall be subject to the following additional conditions:

(A) any assignment of any portion of the Delayed Draw Term Loan Commitments or Term Loans shall be made to an Eligible Assignee;

(B) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Delayed Draw Term Loan Commitments or Term Loans, the amount of such Delayed Draw Term Loan Commitments or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000, and after giving effect to such assignment, the portion of the Delayed Draw Term Loan Commitments or Term Loans held by the assigning Lender shall not be less than \$1,000,000, in each case unless the Borrower and the Administrative Agent otherwise consent, provided that any such assignment shall be in increments of \$500,000 in excess of the minimum amount described above;

(C) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 for the account of the Administrative Agent (unless otherwise agreed); and

(E) the assignee, if it was not a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form as the Administrative Agent may require.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 10.02, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16 and 10.04). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.02 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(iv) The Administrative Agent shall maintain at its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the principal amount (and stated interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Notwithstanding anything to the contrary contained herein, no assignment may be made hereunder to any Defaulting Lender or any of its subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v).

(vi) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment will be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Term Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Borrower and Administrative Agent (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all outstanding Term Loans and in accordance with its Aggregate Exposure Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder becomes effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest will be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed administrative questionnaire in a form as the Administrative Agent may require (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(a), 8.04 or 10.04(c), the Administrative Agent shall have no obligation to accept such Assignment and Acceptance and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(d) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Delayed Draw Term Loan Commitments and Term Loans); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(a) that affects such Participant. Subject to paragraph (d)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, provided such Participant agrees to be subject to the requirements of Section 8.08 as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Delayed Draw Term Loan Commitments, Term Loans or its other obligations under this Agreement or any Loan Document) except to the extent that such disclosure is necessary to establish that such Delayed Draw Term Loan Commitments, Term Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, the Borrower and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless such Participant agrees, for the benefit of the Borrower, to comply with Sections 2.16(f), 2.16(g), 2.16(h) and 2.18 as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender, and this Section 10.02 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.02, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant are advised of and agree to be bound by either the provisions of Section 10.03 or other provisions at least as restrictive as Section 10.03.

Section 10.03. Confidentiality. Each Lender and each Agent agrees to keep any information delivered or made available by or on behalf of the Borrower to it confidential, in accordance with its customary procedures, from anyone other than persons employed or retained by such Lender or Agent who are or are expected to become engaged in evaluating, approving, structuring or administering the Term Loans, and who are advised by such Lender or Agent of the confidential nature of such information; provided that nothing herein shall prevent any Lender or Agent from disclosing such information (a) to any of its Related Parties and their respective agents, legal counsel, auditors and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential, and the applicable Lender or Agent shall be responsible for compliance by such Persons with such obligation) or to any other Lender, (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority (including in connection with any audit or examination by a bank examiner exercising examination or regulatory authority over such Lender or Agent), (d) which has been publicly disclosed other than as a result of a disclosure by any Lender or Agent which is not permitted by this Agreement, (e) in connection with any litigation to which any Lender or Agent, or their respective Affiliates may be a party to the extent reasonably required, (f) to the extent reasonably required in connection with the exercise of any remedy hereunder, (g) with the Borrower's consent, (h) to any nationally recognized rating agency that requires access to information about a Lender or Agent's investment portfolio in connection with ratings issued with respect to such Lender or Agent and (i) to any actual or proposed participant or assignee of all or part of its rights hereunder or to any direct or indirect contractual counterparty (or the professional advisors thereto) to any swap or derivative transaction relating to the Borrower and its obligations, in each case, subject to the proviso in Section 10.02(f) (with any reference to any assignee or participant set forth in such proviso being deemed to include a reference to such contractual counterparty for purposes of this Section 10.03(i)). If any Lender or Agent is in any manner requested or required to disclose any of the information delivered or made available to it by the Borrower under clauses (b) or (e) of this Section, such Lender or Agent will, to the extent permitted by law, provide the Borrower with prompt notice, to the extent reasonable, so that the Borrower may seek, at its sole expense, a protective order or other appropriate remedy or may waive compliance with this Section. In addition, any Lender or Agent may disclose information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry.

Section 10.04. Expenses; Indemnity; Damage Waiver(a) . (a) (i) The Borrower shall pay or reimburse: (A) all reasonable fees and reasonable out-of-pocket expenses of the Administrative Agent and the Arrangers (limited in the case of legal fees and expenses, to the reasonable fees, disbursements and other charges of Simpson Thacher & Bartlett LLP, as counsel to the

Administrative Agent) associated with the syndication of the credit facility provided for herein, and the preparation, execution, delivery and administration of the Loan Documents and (in the case of the Administrative Agent) any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated); and (B) all fees and out-of-pocket expenses of the Administrative Agent and the Lenders (limited in the case of legal fees and expenses, to one (1) outside counsel to the Administrative Agent and the Lenders, taken as a whole (and, in the case of an actual or perceived conflict of interest, an additional counsel to all such similarly situated affected parties)) in connection with the enforcement of the Loan Documents.

(ii) The Borrower shall pay or reimburse all reasonable fees and reasonable expenses of the Administrative Agent and the Appraisers incurred in connection with the Administrative Agent's (x) periodic appraisals and (y) other monitoring of Pool Assets as allowed hereunder.

(iii) All payments or reimbursements pursuant to the foregoing clauses (a)(i) and (ii) shall be paid within thirty (30) days of written demand together with back-up documentation supporting such reimbursement request.

(b) The Borrower shall indemnify each Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (limited in the case of legal fees and expenses, to one (1) outside counsel to all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest, an additional counsel to all such similarly situated affected Indemnitees)) incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Term Loan or the use of the proceeds therefrom, (iii) in connection with clauses (i) and (ii) above, any Release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related to or asserted against the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by the Borrower, its equity holders, affiliates or creditors or any other Person; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to (x) have resulted from the material breach of the obligations of such Indemnitee under the Loan Documents or the gross negligence or willful misconduct of such Indemnitee or (y) arise from disputes solely among the Indemnitees (other than any dispute involving claims against any Person in its capacity as an Agent or similar role hereunder) that do not involve an act or omission by the Borrower or any of its Subsidiaries. For the avoidance of doubt, no Indemnitee shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnitee. This Section 10.04(b) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section 10.04, each Lender severally agrees to pay to the Administrative Agent such portion of the unpaid amount equal to such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided that the unreimbursed expense or indemnified loss, claim, damage, liability

or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, neither the Borrower nor any Indemnitee shall have any liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Term Loan or the use of the proceeds thereof (other than in respect of such damages incurred or paid by an Indemnitee to a third party).

Section 10.05. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section 10.05. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 10.06. No Waiver. No failure on the part of the Administrative Agent or any of the Lenders to exercise, and no delay in exercising, any right, power or remedy hereunder or any of the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

Section 10.07. Extension of Maturity. Should any payment of principal of or interest or any other amount due hereunder become due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, in the case of principal, interest shall be payable thereon at the rate herein specified during such extension.

Section 10.08. Amendments, etc.

(a) Except as set forth in Sections 2.09, Section 2.23 and 5.10 or as otherwise set forth in this Agreement, no modification, amendment or waiver of any provision of this Agreement, and

no consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders (or signed by the Administrative Agent with the consent of the Required Lenders), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; provided, however, that no such modification or amendment shall without the prior written consent of:

(i) each Lender directly and adversely affected thereby (A) increase the Delayed Draw Term Loan Commitment of any Lender or extend the Delayed Draw Commitment Period (it being understood that a waiver of an Event of Default shall not constitute an increase in or extension of the termination date of the Delayed Draw Term Loan Commitment of a Lender), or (B) reduce the principal amount of any Term Loan or the rate of interest payable thereon (provided that only the consent of the Required Lenders shall be necessary for a waiver of default interest referred to in Section 2.08), or extend any date for the payment of principal, interest or Fees hereunder or reduce any Fees payable hereunder or extend the final maturity of the Borrower's obligations hereunder or (B) amend, modify or waive any provision of Sections 2.17(b) or (e); and

(ii) all of the Lenders (A) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders or (B) amend this Section 10.08 that has the effect of changing the number or percentage of Lenders that must approve any modification, amendment, waiver or consent or modify the percentage of the Lenders required in the definition of Required Lenders.

(b) No such amendment or modification shall adversely affect the rights and obligations of the Administrative Agent hereunder without its prior written consent.

(c) No notice to or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in the same, similar or other circumstances. Each assignee under Section 10.02(b) shall be bound by any amendment, modification, waiver, or consent authorized as provided herein, and any consent by a Lender shall bind any Person subsequently acquiring an interest on the Term Loans held by such Lender. No amendment to this Agreement shall be effective against the Borrower unless signed by the Borrower.

(d) Notwithstanding anything to the contrary contained in Section 10.08(a), (i) in the event that the Borrower requests that this Agreement be modified or amended in a manner which would require the unanimous consent of all of the Lenders or the consent of all Lenders directly and adversely affected thereby and, in each case, such modification or amendment is agreed to by the Required Lenders, then the Borrower may replace any non-consenting Lender in accordance with Section 10.02; provided that such amendment or modification can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this clause (i)); (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Delayed Draw Term Loan Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that the Delayed Draw Term Loans and the outstanding Term Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders), (iii) notwithstanding anything to the contrary herein, any Extension Agreement effected in accordance with Section 2.22 may be made without the consent of the Required Lenders and (iv) if the Administrative Agent and the Borrower shall have jointly identified any ambiguity, mistake, typographical error or other obvious error or any error or omission of a technical or immaterial nature in any provision of the Loan Documents (including the exhibits and schedules thereto), then the Administrative Agent and the

Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document.

(e) In addition, notwithstanding anything to the contrary contained in Section 10.08(a), this Agreement and, as appropriate, the other Loan Documents, may be amended with the written consent of the Administrative Agent (not to be unreasonably withheld or delayed), the Borrower and the lenders providing the relevant Replacement Term Loans (as defined below) as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower (x) to permit the refinancing, replacement or modification of all outstanding Term Loans (“Refinanced Term Loans”) with a replacement term loan tranche (“Replacement Term Loans”) hereunder (any such amendment, a “Refinancing Amendment”) and (y) to include appropriately the Lenders holding such credit facilities in any determination of Required Lenders; provided that (i) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans, (ii) the Applicable Margins for such Replacement Term Loans shall not be higher than the Applicable Margins for such Refinanced Term Loans, (iii) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans at the time of such refinancing (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans) and (iv) all other terms applicable to such Replacement Term Loans shall be substantially identical to, or less favorable to the Lenders providing such Replacement Term Loans than those applicable to such Refinanced Term Loans, except to the extent necessary to provide for covenants and other terms applicable to any period after the latest Term Loan Maturity Date in effect immediately prior to such refinancing. The effectiveness of (and the borrowing under) any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.01(f) (other than the representations and warranties set forth in Sections 3.04(b) and 3.06(a)) and 4.01(g) (it being understood that all references to the making or borrowing of Term Loans or similar language in such Section 4.01 shall be deemed to refer to the effective date of such Refinancing Amendment) and such other conditions as the parties thereto shall agree.

(f) In addition, notwithstanding anything to the contrary contained in Section 10.08, the Borrower may from time to time deliver to the Administrative Agent an updated Schedule 6.05 to replace the then-existing Schedule 6.05 in connection with (x) any disposition, transfer or removal by the Borrower or any Subsidiary of the Borrower of any Pool Asset pursuant to Section 6.05 or (y) any designation of Additional Pool Assets as Pool Assets as contemplated by the definition of Additional Pool Assets set forth in Section 1.01 hereof.

Section 10.09. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 10.10. Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

Section 10.11. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Term Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the

Administrative Agent or any Lender may have had notice or knowledge of any Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Term Loan or any other amount payable under this Agreement is outstanding. The provisions of Sections 2.14, 2.15, 2.16 and 10.04 and Section 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Term Loans or the termination of this Agreement or any provision hereof.

Section 10.12. Execution in Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

Section 10.14. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.15. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Borrower, its stockholders and/or its affiliates. The Borrower agrees that nothing in the Loan Documents or otherwise related to the Transactions will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its stockholders or its affiliates, on the other hand. The parties hereto acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions

between the Lenders, on the one hand, and the Borrower and its Subsidiaries, on the other hand, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its affiliates on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, stockholders, affiliates, creditors or any other Person. The Borrower acknowledges and agrees that the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

Section 10.16. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write down and conversion powers of the applicable Resolution Authority.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first written.

BORROWER:

DELTA AIR LINES, INC., a Delaware corporation

By:____
Name:
Title:

[Signature Page to Delta Credit Agreement – 364-Day Term Loan Facility]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Lender

By:____
Name:
Title:

[Signature Page to Delta Credit Agreement – 364-Day Term Loan Facility]

[•],
as a Lender

By:____
Name:
Title:

[for Lenders requiring two signature blocks]

By:____
Name:
Title:

[Signature Page to Delta Credit Agreement – 364-Day Term Loan Facility]

**DELTA AIR LINES, INC. 2020 LONG-TERM INCENTIVE PROGRAM
AWARD AGREEMENT**

**Date of this Agreement:
Grant Date:**

[Participant]

This Award Agreement (the “Agreement”) describes some of the terms of your award (the “Award”) under the Delta Air Lines, Inc. 2020 Long-Term Incentive Program (which is subject to the Delta Air Lines, Inc. Performance Compensation Plan) (the “2020 LTIP”). Your Award is subject to the terms of the 2020 LTIP and this Agreement. Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the 2020 LTIP. In order for this Award to remain effective, you must accept the Award in accordance with Section 9 below on or before the date that is 30 calendar days after the date of this Agreement (the “Acceptance Date”). If you do not accept the Award as required, the Award and this Agreement will become void and of no further effect as of 5:00 pm Eastern Time on the Acceptance Date.

1. Summary of Award. Your Award will include Restricted Stock, a Performance Award and a Non-Qualified Stock Option (“Option”) as described below. Terms applicable to your Award, including the lapsing of the Restrictions on your Restricted Stock, the vesting and form of payment, if any, of your Performance Award and the exercisability of your Option are included in the 2020 LTIP. Terms applicable to the vesting, exercisability and payout of your Award upon a Termination of Employment are included in Appendix A to this Agreement.

(a) Restricted Stock. You are hereby awarded, on the Grant Date above (the “Grant Date”), Restricted Stock for [NUMBER] shares of Delta Common Stock, par value \$0.0001 per share.

(b) Performance Award. You are hereby awarded, on the Grant Date, a Performance Award with a target value of [AMOUNT].

(c) Non-Qualified Stock Option. You are hereby awarded, on the Grant Date, an Option exercisable for [NUMBER] shares of Delta Common Stock. The exercise price of the Option will be the closing price of a share of Delta Common Stock on the New York Stock Exchange on the Grant Date.

2. Restrictive Covenants. In exchange for the Award, you hereby agree as follows:

(a) Trade Secrets

(i) You hereby acknowledge that during the term of your employment with Delta Air Lines, Inc., its subsidiaries and/or affiliates (“Delta”), you have acquired and will continue to acquire knowledge of secret, confidential and proprietary information regarding Delta and its business that fits within the definition of “trade secrets” under the law of the State of Georgia and/or the law of the United States, including, without limitation, information regarding Delta’s present and future operations, its financial operations, marketing plans and strategies, alliance

agreements and relationships, its compensation and incentive programs for employees, the business methods used by Delta and its employees and other information which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (each, a “Trade Secret”). You hereby agree that, for so long as such information remains a Trade Secret as defined by Georgia law and/or the law of the United States, you will hold in a fiduciary capacity for the benefit of Delta and will not directly or indirectly make use of, on your own behalf or on behalf of others, any Trade Secret or transmit, reveal or disclose any Trade Secret to any person, concern or entity. Nothing in this Agreement is intended or shall be construed to limit the protections of any applicable law protecting trade secrets.

(ii) You are notified by the virtue of this provision that federal law provides for immunity from liability for confidential disclosure of a trade secret as defined by federal law that is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney if that disclosure is made solely for the purpose of reporting or investigating a suspected violation of law or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) Confidential or Proprietary Information. You further agree that you will hold in a fiduciary capacity for the benefit of Delta and, during the term of your employment with Delta and after such employment terminates, will not directly or indirectly use or disclose any Confidential or Proprietary Information, as defined hereinafter, that you acquire (whether or not developed or compiled by you and whether or not you were authorized to have access to such Confidential or Proprietary Information) during the term of, in the course of or as a result of your employment with Delta. Subject to the provisions set forth below, the term “Confidential or Proprietary Information” as used in this Agreement means the following secret, confidential and proprietary information of Delta not otherwise included in the definition of Trade Secret: all marketing, alliance, advertising and sales plans and strategies; all pricing information; all financial, advertising and product development plans and strategies; all compensation and incentive programs for employees; all alliance agreements, plans and processes; all plans, strategies and agreements related to the sale of assets; all third party provider agreements, relationships and strategies; all business methods and processes used by Delta and its employees; all personally identifiable information regarding Delta employees, contractors and applicants; and all lists of actual or potential customers or suppliers maintained by Delta. The term “Confidential or Proprietary Information” does not include information that has become generally available to the public by the act of one who has the right to disclose such information. Nothing in this Agreement is intended or shall be construed to limit the protections of any applicable law protecting confidential or proprietary information.

(c) Employee/Customer Non-Solicitation Agreement. During the term of your employment with Delta and during the two-year period following the termination of such employment, you will not directly or indirectly (on your own behalf or on behalf of any other person, company, partnership, corporation or other entity) (i) employ or solicit for employment any individual who is a management or professional employee of Delta for employment with any entity or person other than Delta or solicit, encourage or induce any such person to terminate his

or her employment with Delta or (ii) induce or attempt to induce any customer, supplier, licensee or other business relation of Delta to cease doing business with Delta or in any way interfere with the relationship between Delta and any customer, supplier, licensee or other business relation of Delta. The restrictions set forth in clause (i) above shall be limited to those Delta management or professional employees who: (A) were employed by Delta during your employment in a supervisory or administrative job and (B) with whom you had material professional contact during your employment with Delta.

(d) Non-Competition Agreement

(i) You acknowledge and agree with the following:

(A) Delta competes in a worldwide air transportation market that includes passenger transportation and services, air cargo services, repair and maintenance of aircraft for third parties, vacation wholesale and refinery operations, and Delta's business is both domestic and international in scope;

(B) the airlines listed or described below and the related businesses listed on Exhibit 1 hereto are particular competitors to Delta and your employment or consulting with any of the listed or described entities would create more harm to Delta than would your possible employment or consulting with other companies;

(C) you have been and are closely involved in the planning for or the direction of critical components of Delta's operation and business and have developed or supplemented your expertise and skills as the result of such activities with Delta, and the use of such skills or disclosure of the details of such skills or knowledge to a competitor of Delta would be detrimental to Delta's legitimate business interests; and

(D) the restrictions imposed by this Section 2(d) will not prevent you from earning a livelihood, given both the broad demand for the type of skills you possess as well as the large number of worldwide and domestic passenger and cargo air carriers and related businesses not included in Section 2(d)(ii) or Exhibit 1 hereto.

(ii) During the term of your employment with Delta and for the two-year period following the termination of such employment, you will not on your own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, whether as an employee, consultant, partner or in any other capacity, provide services that are the same or similar to the services of the type conducted, authorized, offered or provided by either you or any other executive, key or professional employee of Delta or any of its subsidiaries/divisions on the Grant Date (or within two years prior to your termination of employment), to:

(A) any of the following entities (including any successors thereto), any airline alliances (including Star Alliance and Oneworld) or airline

industry associations (including Airlines for America and International Air Transport Association) in which such entity participates, and any partially or wholly owned subsidiary or joint venture of such entity that operates an airline or a business operated by Delta as of the Grant Date: Alaska Air Group, Inc., American Airlines Group, Inc., Frontier Airlines, Inc., Jet Blue Airways Corporation, Southwest Airlines Co., Spirit Airlines, Inc., United Continental Holdings, Inc., Avianca S.A., Emirates Group, Etihad Airways P.J.S.C., International Consolidated Airlines Group, S.A. or Qatar Airways;

- (B) any passenger or cargo air carrier that is more than 25% owned by Emirates Group, Etihad Airways P.J.S.C. or Qatar Airways;
- (C) if not included in clause (A) or (B) above, any foreign air carrier that operates passenger or cargo service into the United States or its territories more than 35 flights per week for more than six months in any rolling 12-month period; *provided, however*, this clause (C) shall not apply to employment with LATAM Airlines Group S.A. or Delta profit sharing joint venture partners Aerovías de Mexico, S.A. de C.V. (Aeromexico), Air France KLM Group, Korean Air Lines Co., LTD or Virgin Atlantic Airways Limited, but shall apply to Campagnia Aerea Italiana S.p.A. (Alitalia); or
- (D) any of the entities listed on Exhibit 1 hereto, *provided* that you (1) are employed by a Delta subsidiary or you have a significant role with and spend more than 75% of your time providing services to a Delta subsidiary or (2) are employed in Delta's TechOps or Delta Connection division.

These restrictions will apply to the territory over which you have responsibility on the Grant Date (or had responsibility for at the time of your termination), which territory you acknowledge to be co-extensive with the cities encompassed by Delta's worldwide route structure as it exists as of the Grant Date, or the date of your termination, as appropriate.

- (iii) Nothing in this Section 2(d) will restrict your employment in any position, function, or role with any airline or entity not defined in Section 2(d) or Exhibit 1 hereto. Further, notwithstanding anything in this Section 2(d) to the contrary, these restrictions shall not apply to employment with DAL Global Services, LLC for any period during which Delta owns at least 49% thereof.

(e) Return of Property. You hereby agree that all property belonging to Delta, including records, files, memoranda, reports and personnel information (including benefit files, training records, customer lists, operating procedure manuals, safety manuals, financial statements, price lists and the like), relating to the business of Delta with which you come in contact in the course of your employment (hereinafter "Delta's Materials") shall, as between the parties hereto, remain the sole property of Delta. You hereby warrant that you will promptly return all originals and copies of Delta's Materials to Delta at the time your employment terminates.

(f) No Statements. You hereby agree that you will not, both during and after your employment with Delta, make any oral or written statement to the news media, in any public forum or to any business competitive with Delta, its subsidiaries or affiliates concerning any actions or inactions by Delta or any of its present or former subsidiaries or affiliates or any of their present or former officers, directors or employees (the “Delta Parties”) relative to the Delta Parties’ compliance with any state, federal or local law or rule. You also agree that you will not make any oral or written statement or take any other action which disparages or criticizes the Delta Parties, including, but not limited to, any such statement that damages the Delta Parties’ good reputation or impairs their normal operations or activities.

(g) Cooperation. You hereby agree that you will, both during and after your employment with Delta, to the extent requested in writing and reasonable under the circumstances, cooperate with and serve in any capacity requested by Delta in any pending or future litigation in which Delta has an interest and regarding which you, by virtue of your employment with Delta, have knowledge or information relevant to the litigation.

(h) Clawback. If you are an officer of Delta at or above the Vice President level, you hereby agree that if the Committee determines that you have 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 U.S. Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by you, including, without limitation, your Award, with respect to fiscal periods materially affected by the restatement and may recover from you all such incentive compensation to the extent 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.

(i) Insider Trading Policy. You understand that you are subject to the Delta Air Lines, Inc. Insider Trading Policy, as in effect from time to time, and you are responsible for reading, understanding and complying with the policy, including the prohibitions against hedging and pledging of Delta Common Stock.

(j) Former Employee Vendor Policy. You hereby agree that, during the one-year period following the termination of your employment with Delta, you will be subject to and shall comply with the Company’s *Restriction on Former Employees’ Work with Vendors* policy, as in effect from time to time.

3. Dispute Resolution

(a) Arbitration. You hereby agree that, except as expressly set forth below, all disputes and any claims arising out of or under or relating to the Award or this Agreement, including, without limitation, any dispute or controversy as to the validity, interpretation, construction, application, performance, breach or enforcement of this Agreement, shall be submitted for and settled by mandatory, final and binding arbitration in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association. Unless an alternative locale is otherwise agreed to in writing by the parties to this Agreement, the arbitration shall be conducted in the City of Atlanta, Georgia. The arbitrator will apply Georgia

law to the merits of any dispute or claim without reference to rules of conflicts of law. Any award rendered by the arbitrator shall provide the full remedies available to the parties under the applicable law and shall be final and binding on each of the parties hereto and their heirs, executors, administrators, successors and assigns and judgment may be entered thereon in any court having jurisdiction. You hereby consent to the personal jurisdiction of the state and federal courts in the State of Georgia with venue in Atlanta for any action or proceeding arising from or relating to any arbitration under this Agreement. The prevailing party in any such arbitration shall be entitled to an award by the arbitrator of all reasonable attorneys' fees and expenses incurred in connection with the arbitration. However, Delta will pay all fees associated with the American Arbitration Association and the arbitrator. All parties must initial here for this Section 3 to be effective:

_____ [Participant]

_____ Delta Air Lines, Inc.—Robert L. Kight, Senior Vice President—Human Resources

(b) Injunctive Relief in Aid of Arbitration; Forum Selection. You hereby acknowledge and agree that the provisions contained in Section 2 are reasonably necessary to protect the legitimate business interests of Delta and that any breach of any of these provisions will result in immediate and irreparable injury to Delta for which monetary damages will not be an adequate remedy. You further acknowledge that if any such provision is breached or threatened to be breached, Delta will be entitled to seek a temporary restraining order, preliminary injunction or other equitable relief in aid of arbitration in any court of competent jurisdiction without the necessity of posting a bond restraining you from continuing to commit any violation of the covenants, and you hereby irrevocably consent to the jurisdiction of the state and federal courts of the State of Georgia, with venue in Atlanta, which shall have jurisdiction to hear and determine any claim for a temporary restraining order, preliminary injunction or other equitable relief brought against you by Delta in aid of arbitration.

(c) Consequences of Breach. Furthermore, you acknowledge that, in partial consideration for the Award described in the 2020 LTIP and this Agreement, Delta is requiring that you agree to and comply with the terms of Section 2, and you hereby agree that, without limiting any of the foregoing, should you violate any of the covenants included in Section 2, you will not be entitled to and shall not receive any Awards under the 2020 LTIP and this Agreement and any outstanding Awards will be forfeited.

(d) Tolling. You further agree that in the event the enforceability of any of the restrictions as set forth in Section 2 are challenged and you are not preliminarily or otherwise enjoined from breaching such restriction(s) pending a final determination of the issues, then, if an arbitrator finds that the challenged restriction(s) is enforceable, any applicable time period related to the challenged restriction set forth in Section 2 shall be deemed tolled upon the filing of the arbitration or action seeking injunctive or other equitable relief in aid of arbitration, whichever is first in time, until the dispute is finally resolved and all periods of appeal have expired.

(e) Governing Law. Unless governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to principles of conflicts of laws of that State.

(f) Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY MATTER ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS INCLUDES, WITHOUT LIMITATION, ANY DISPUTE CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF DELTA OR YOU, OR ANY EXERCISE BY DELTA OR YOU OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING TO THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR DELTA TO ISSUE AND ACCEPT THIS AGREEMENT.

4. Validity; Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect such holding shall not affect any other provisions in this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

5. Authority of the Committee. You acknowledge and agree that the Committee has the sole and complete authority and discretion to construe and interpret the terms of the 2020 LTIP and this Agreement. All determinations of the Committee shall be final and binding for all purposes and upon all persons, including, without limitation, you and the Company and your heirs and its successors. The Committee shall be under no obligation to construe this Agreement or treat the Award in a manner consistent with the treatment provided with respect to other Awards or Participants.

6. Amendment. This Agreement may not be amended or modified except by written agreement signed by you and Delta; *provided, however,* you acknowledge and agree that Delta may unilaterally amend the clawback provision set forth in Section 2(h) 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.

7. Acknowledgement. By signing this Agreement, you: (a) acknowledge that you have had a full and adequate opportunity to read this Agreement and you agree with every term and provision herein, including, without limitation, the terms of Sections 2, 3, 4, 5, 6 and, if applicable, Exhibit 1 hereto; (b) acknowledge that you have received and had a full and adequate opportunity to read the 2020 LTIP; (c) agree, on behalf of yourself and on behalf of any designated beneficiary and your heirs, executors, administrators and personal representatives, to all of the terms and conditions contained in this Agreement and the 2020 LTIP; and (d) consent to receive all material regarding any awards under the 2020 LTIP, including any prospectuses, electronically with an e-mail notification to your work e-mail address.

8. Entire Agreement. This Agreement, together with the 2020 LTIP (the terms of which are made a part of this Agreement and are incorporated into this Agreement by reference), constitute the entire agreement between you and Delta with respect to the Award.

9. Acceptance of this Award. If you agree to all of the terms of this Agreement and would like to accept this Award, you must sign and date the Agreement where indicated below and, if you do not accept the Award electronically, return an original signed version of this Agreement to Fred Mathis, either by hand or by mail to Department 936, P.O. Box 20706, Atlanta, Georgia 30320, as set forth on

page 1 of this Agreement. If you have any questions regarding how to accept your Award, please contact Mr. Mathis at (404) 715-4318. Delta hereby acknowledges and agrees that its legal obligation to make the Award to you shall become effective when you sign this Agreement.

10. Electronic Signature. All references to signatures and delivery of documents in this Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Agreement. Your electronic signature is the same as and shall have the same force and effect as your manual signature. Any such procedures and delivery may be effected by a third party engaged by Delta to provide administrative services related to the 2020 LTIP.

* * * *

You and Delta, each intending to be bound legally, agree to the matters set forth above by signing this Agreement, all as of the date set forth below.

DELTA AIR LINES, INC.

By:

Name: Robert L. Kight
Title: Senior Vice President–Human Resources

Title: Senior Vice President-Human Resources

PARTICIPANT

Date:

Subsidiary and Company Division Competitors

1. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Vacations, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Apple Vacations; CheapCaribbean.com; Classic Vacations, LLC; Costco Travel; FC USA, Inc.; Sun Country Vacations; The Mark Travel Corporation; and Travel Impressions.
 2. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Monroe Energy, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: PBF Energy Inc. and Phillips 66 Company.
 3. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Endeavor Air, Inc.**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Air Wisconsin Airlines Corporation; CommutAir; Envoy Air, Inc.; ExpressJet Airlines, Inc.; Horizon Air Industries, Inc.; Jazz Aviation, LP; Mesa Air Group, Inc.; Piedmont Airlines, Inc.; PSA Airlines, Inc.; Republic Airways Holdings Inc.; Skywest, Inc.; and Trans States Holdings, Inc.
 4. If you are employed by the Company in its **TechOps division**, the following entities (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: AAR Corp.; GE Aviation Service Operation LLP, GE Aviation Systems Group Limited, GE Aviation Systems North America, Inc. GE Aviation UK; Honeywell International, Inc.; Hong Kong Aircraft Engineering Company LTD (HAECO) (Americas and international); Lufthansa Technik AG; the MTU Maintenance businesses of MTU Aero Engines (domestic and international); Pratt & Whitney; Singapore Technologies Aerospace Ltd.; and United Technologies Corporation.
 5. If you are employed by the Company in its **Delta Connection division**, the following entities (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Air Wisconsin Airlines Corporation; CommutAir; Envoy Air, Inc.; ExpressJet Airlines, Inc.; Horizon Air Industries, Inc.; Jazz Aviation, LP; Mesa Air Group, Inc.; Piedmont Airlines, Inc.; PSA Airlines, Inc.; Republic Airways Holdings Inc.; Skywest, Inc.; and Trans States Holdings, Inc.
 7. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Material Services, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: AAR Corp; AerSale, Inc.; AJ Walter Aviation Limited; GA Telesis, LLC; Unical Aviation, Inc.; and VAS Aero Services, LLC.
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8. If you are employed by, or you have a significant role with and spend more than 75% of your time providing services to **Delta Flight Products, LLC**, the following entities, (including the successors thereto) and any corporate parent or any partially or wholly owned subsidiary of such entities shall be included as competitors under Section 2(d)(ii)(D) of this Agreement: Airbus SE; EnCore Aerospace LLC; Gulfstream Aerospace Corporation (excluding corporate parent); Hong Kong Aircraft Engineering Company Limited (HAECO); JAMCO Corporation; Panasonic Avionics Corporation (excluding corporate parent); Rockwell Collins, Inc.; ST Aerospace Group; Thales Group; The Boeing Company; and Zodiac Aerospace.

APPENDIX A

The terms of this Appendix A shall apply to the Award set forth in the Agreement to which this Appendix is attached. Capitalized terms that are used but not otherwise defined in the Agreement have the meaning set forth in the 2020 LTIP and the Delta Air Lines, Inc. Performance Compensation Plan.

RESTRICTED STOCK

1. Lapse of Restrictions/Forfeiture upon Terminations of Employment Occurring prior to October 1, 2020. Effective for Terminations of Employment that occur prior to October 1, 2020, the Restricted Stock and the Restrictions set forth in the 2020 LTIP are subject to the terms and conditions set forth in Sections 4(a)(v) and (vi) of the 2020 LTIP.

2. Lapse of Restrictions/Forfeiture upon Terminations of Employment Occurring on or after October 1, 2020. Effective for Terminations of Employment that occur on or after October 1, 2020, the Restricted Stock and the Restrictions set forth in the 2020 LTIP are subject to the following terms and conditions, which terms and conditions shall supersede and replace Sections 4(a)(v) and (vi) of the 2020 LTIP.

(a) *Qualifying Termination of Employment.* Upon a Participant's Qualifying Termination of Employment (as such term is defined below), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall lapse and be of no further force or effect as of the dates set forth in Section 4(a)(iv) of the 2020 LTIP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment (as such term is defined below), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(c) *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.

(d) *Change in Control.* Notwithstanding the foregoing and subject to Section 5 of the 2020 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

3. Definitions.

(a) **"Qualifying Termination of Employment"** means a Participant's Termination of Employment (i) by the Company without Cause or (ii) by the Participant with or without Good Reason or by reason of Retirement.

(b) **"Disqualifying Termination of Employment"** means a Participant's Termination of Employment by the Company for Cause.

4. Death Following Qualifying Termination of Employment. If a Participant dies after incurring a Qualifying Termination of Employment, but before the dates set forth in Section 4(a)(iv) of the 2020 LTIP, with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall immediately lapse and be of no further force or effect as of the date of the Participant's death.

PERFORMANCE AWARD

1. Accelerated Vesting/Forfeiture upon Terminations of Employment Occurring Prior to October 1, 2020. Effective for Terminations of Employment that occur prior to October 1, 2020, the Performance Award is subject to the terms and conditions set forth in Sections 4(b)(vii) and (viii) of the 2020 LTIP.

2. Accelerated Vesting/Forfeiture upon Terminations of Employment Occurring on or after October 1, 2020. Effective for Terminations of Employment that occur on or after October 1, 2020, the Performance Award is subject to the following terms and conditions, which terms and conditions shall supersede and replace Sections 4(b)(vii) and (viii) of the 2020 LTIP.

(a) Qualifying Termination of Employment. Upon a Participant's Qualifying Termination of Employment, the Participant will remain eligible for any unpaid Performance Award, which award will vest and become payable under Section 4(b)(v) of the 2020 LTIP in the same manner and to the same extent as if the Participant's employment had continued.

(b) Disqualifying Termination of Employment. Upon a Participant's Disqualifying Termination of Employment, the Participant will immediately forfeit any unpaid portion of the Performance Award as of the date of such Termination of Employment.

(c) Death or Disability. Upon a Participant's Termination of Employment due to death or Disability, the Participant's Performance Award 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.

(d) Change in Control. Notwithstanding the foregoing and subject to Section 5 of the 2020 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, the Participant's outstanding Performance Award will immediately become vested at the target level 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 Performance Award will immediately become vested and be paid in cash to the Participant as soon as practicable.

3. Death Following Qualifying Termination of Employment. If a Participant dies after incurring a Qualifying Termination of Employment, but before the Performance Award vests and becomes payable under Section 4(b)(v) of the 2020 LTIP, the Participant's Performance Award will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant's estate.

OPTION

1. Change in Exercisability and Exercise Period upon Terminations of Employment Occurring prior to October 1, 2020. Effective for Terminations of Employment that occur prior to October 1, 2020, the exercisability of the Option and the exercise period are subject to the terms and conditions set forth in Sections 4(d)(v) and (vi) of the 2020 LTIP.

2. Change in Exercisability and Exercise Period upon Terminations of Employment on or after October 1, 2020. Effective for Terminations of Employment that occur on or after October 1, 2020, the exercisability of the Option and the exercise period set forth in the 2020 LTIP are subject to the following terms and conditions, which terms and conditions shall supersede and replace Sections 4(d)(v) and (vi) of the 2020 LTIP:

(a) *Qualifying Termination of Employment.* Upon a Participant's Qualifying Termination of Employment, any portion of the Option that is not exercisable at the time of such Qualifying Termination of Employment (i) will vest and become exercisable, if applicable, under Section 4(d)(iv) of the 2020 LTIP in the same manner and to the same extent as if the Participant's employment had continued and (ii) the entire then exercisable portion of the Option, as applicable, shall be exercisable during the period: (A) beginning on the applicable Option Installment Vesting Date and (B) ending on the Expiration Date.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment, any unexercised portion of the Option shall be immediately forfeited, including any portion that was then exercisable.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, any portion of the Option 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: (i) beginning on the date of such Termination of Employment and (ii) ending on the Expiration Date.

(d) *Change in Control.* Notwithstanding the foregoing and subject to Section 5 of the 2020 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, any portion of the Option 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 (i) beginning on the date of such Termination of Employment and (ii) ending on the Expiration Date.

3. Death Following Qualifying Termination of Employment. If a Participant dies after incurring a Qualifying Termination of Employment, but before the dates set forth in Section 4(d)(iv) of the 2020 LTIP, if applicable, any portion of the Option that is not exercisable at the time of the Participant's death shall vest and become exercisable and the then exercisable portion of the Option shall be exercisable during the period: (i) beginning on the date of the Participant's death and (ii) ending on the Expiration Date.

**Description of Certain Benefits
of Members of the Board of Directors and Executive Officers**

Delta provides certain flight benefits to members of its Board of Directors and provides certain benefits to its executive officers. Delta reserves the right to change, amend or terminate these programs, consistent with their terms, at any time for any reason for both active and retired directors and employees.

Flight Benefits: As is common in the airline industry, Delta provides complimentary travel and certain Delta Sky Club privileges for members of the Board of Directors; executive officers; the director's or officer's spouse, domestic partner or designated companion (including, in certain circumstances, the director's or officer's surviving spouse or domestic partner); the director's or officer's children and parents; and, to a limited extent, other persons designated by the director or officer ("Flight Benefits"). Complimentary travel for such other persons is limited to an aggregate imputed value of \$35,000 per year for the CEO, President and Senior Executive Vice President; \$20,000 per year for directors; \$15,000 per year for executive vice presidents; and \$12,500 per year for senior vice presidents. Delta reimburses directors and officers for associated taxes on complimentary travel with an imputed tax value of up to \$40,000 per year for the CEO, President and Senior Executive Vice President; \$25,000 per year for directors; \$20,000 per year for executive vice presidents; and \$17,500 per year for senior vice presidents. Unused portions of the annual allowances described in the previous two sentences accumulate and may be carried into succeeding years during Board service or employment.

A director who retires from the Board at or after age 52 with at least 10 years of service as a director, at or after age 68 with at least five years of service as a director, or at his mandatory retirement date, may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Director Flight Benefits"). A director who served on the Board of Directors during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date the merger occurred, or who joined the Board of Directors on the date the merger occurred, will receive, at the completion of his Board service (other than due to death or due to removal by stockholders for cause), a vested right to Retired Director Flight Benefits, regardless of the director's age and years of service when his Board service ends. A director is not eligible to receive Retired Director Flight Benefits if the director engages in certain wrongful acts. The director designated by the Delta Master Executive Council, the governing body of the Delta unit of the Air Line Pilots Association, International, does not receive Flight Benefits or Retired Director Flight Benefits.

An executive officer who retires from Delta (i) at or after age 52 with at least 10 years of service, or (ii) at any age with at least 25 years of service (with at least 10 years of consecutive service from the officer's most recent date of hire), may continue to receive Flight Benefits during retirement, except the unused portion of the annual allowances does not accumulate into succeeding years ("Retired Officer Flight Benefits"). In addition, an executive officer whose (i) employment is terminated without cause or for any other reason that would entitle that person to benefits under Delta's Officer and Director Severance Plan and (ii) combined age and years of

service equal 60 or more will be eligible for the Retired Officer Flight Benefits. In exchange for certain non-competition, non-solicitation and confidentiality covenants for the benefit of Delta and a general release of claims against Delta, an officer who served in that capacity during the period beginning on the date Delta entered into the merger agreement with Northwest and ending on the date on which the merger occurred or who joined Delta from Northwest on the date the merger occurred and who had been a Northwest officer on the date Delta entered into the merger agreement, will receive, on his termination of employment (other than by death or by Delta for cause), a vested right to Retired Officer Flight Benefits, regardless of the officer's age and years of service at his termination of employment.

Notwithstanding the foregoing, a person who is first elected to the Board of Directors or as an officer on or after June 8, 2009, will not receive reimbursement for taxes for Retired Director Flight Benefits or Retired Officer Flight Benefits, respectively. Delta also does not provide any reimbursement for taxes associated with travel by the surviving spouse or domestic partner of any director or officer.

Annual Physicals: Delta requires executive officers to obtain a comprehensive annual physical examination. Delta pays the cost of this required examination, which is limited to a prescribed set of preventive procedures based on the person's age and gender.

April 22, 2020

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

We are aware of the incorporation by reference in the Registration Statements (Form S-3 No.'s 333-229720 and 333-230087, and Form S-8 No.'s 333-142424, 333-149308, 333-154818, 333-151060, and 333-212525) of Delta Air Lines, Inc. for the registration of its securities of our report dated April 22, 2020 relating to the unaudited condensed consolidated interim financial statements of Delta Air Lines, Inc. that are included in its Form 10-Q for the quarter ended March 31, 2020.

/s/ Ernst & Young LLP

I, Edward H. Bastian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended March 31, 2020;
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.

April 22, 2020

/s/ Edward H. Bastian

Edward H. Bastian

Chief Executive Officer

I, Paul A. Jacobson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended March 31, 2020;
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.

April 22, 2020

/s/ Paul A. Jacobson

Paul A. Jacobson

Executive Vice President and Chief Financial Officer

April 22, 2020
Securities and Exchange Commission
100 F Street, NE
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 quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended March 31, 2020 (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/ Edward H. Bastian

Edward H. Bastian
Chief Executive Officer

/s/ Paul A. Jacobson

Paul A. Jacobson
Executive Vice President and Chief Financial Officer