

1 SECTION 1

2
3 SCOPE

4
5 A. Recognition

- 6
7 1. In accordance with the certification issued by the National Mediation Board in Case No.
8 R-7191, 36 NMB No. 21, January 22, 2009, the Company recognizes the Air Line Pilots
9 Association, International, as the duly designated and authorized representative of the
10 Flight Deck Crewmembers in the service of the Company for the purposes of the Railway
11 Labor Act, as amended.
12 2. Nothing in this PWA will be construed to limit or deny any pilot hereunder any rights or
13 privileges to which such pilot may be entitled under the provisions of the Railway Labor
14 Act, as amended.

15
16 B. Definitions

- 17
18 1. ~~“AF” or “Air France” means Société Air France.~~
19 2. ~~“Affiliate” means:~~
20 a. any subsidiary, parent or division of an entity,
21 b. any other subsidiary, parent or division of either a parent or a subsidiary of an entity,
22 or
23 c. any entity that controls another entity, is controlled by another entity, or is under
24 common control with another entity, in either case, whether directly or indirectly
25 through the control of other entities.
26 23. ~~“Americas Theater” means flying on all routes between (a) a point in South America, and~~
27 ~~(b) a point in the United States.~~
28 3. ~~“Atlantic Theater” means flying on all routes between (a) a point in the United States,~~
29 ~~and (b) a point that is east of longitude 30° W and west of longitude 90° E.~~
30 ~~“Air France/KLM/Alitalia joint venture” or “AF/KL/AZ JV” means the business relationship~~
31 ~~between Delta, Air France, KLM, and Alitalia in which the costs and revenues of~~
32 ~~international flights within the AF/KL/AZ JV are shared between or among the air carrier~~
33 ~~partners, as typified by the business relationship between Air France, KLM, Alitalia, and~~
34 ~~Delta that is embodied in the AF/KL/AZ JV agreement.~~
35 4. ~~“Air France/KLM/Alitalia JV agreement” or “AF/KL/AZ JV agreement” means the~~
36 ~~Transatlantic Joint Venture Agreement made effective as of April 1, 2012 by and among~~
37 ~~Delta Air Lines, Inc., Societe Air France, Koninklijke Luchtvaart Maatschappij N.V. and~~
38 ~~Compagnia Aerea Italiana, S.p.A., as amended from time to time.~~
39 9. ~~“AZ” or “Alitalia” means Compagnia Aerea Italiana, S.p.A.10. — “Bundle 1” means~~
40 ~~flying on all routes (a) between Europe, on the one hand and North America, on the other~~
41 ~~hand, (b) between French Polynesia, on the one hand, and North America on the other~~
42 ~~hand, until such time as Air France/KLM/Alitalia ceases operations on any such routes,~~
43 ~~and (c) between AMS, on the one hand, and India on the other hand, until such time as~~
44 ~~the Company ceases operations between AMS and Mumbai. Terms in this definition are~~
45 ~~as defined in the Air France/KLM/Alitalia JV Agreement.~~

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1 411. “Category A operation” means the operation of a flight segment by a Delta
2 Connection Carrier:

- 3 a. that is a Company affiliate, or
4 b. using the DL code under an agreement with Delta that is not a prorate agreement.

5 513. “Category C operation” means the operation of a flight segment by a Delta
6 Connection Carrier under the DL code pursuant to a prorate agreement with Delta.

7 614. “Circumstance over which the Company does not have control,” for the purposes
8 of **Section 1** and **Section 21**, means a circumstance that includes, but is not limited to, a
9 natural disaster; labor dispute involving a work stoppage which impairs Company
10 operations (provided such term does not apply to informational picketing or other lawful
11 activity designed to inform the public); grounding of a substantial number of the
12 Company’s aircraft by a government agency; reduction in flying operations because of a
13 decrease in available fuel supply or other critical materials due to either governmental
14 action or commercial suppliers being unable to provide sufficient fuel or other critical
15 materials for the Company’s operations; revocation of the Company’s operating
16 certificate(s); war emergency; owner’s delay in delivery of aircraft scheduled for
17 delivery; manufacturer’s delay in delivery of new aircraft scheduled for delivery. The
18 term “circumstance over which the Company does not have control” will not include the
19 price of fuel or other supplies; any delay by the manufacturer in the delivery of new
20 aircraft to the Company that is (a) known to the Company when it provides its detailed
21 Fleet and Network Plans to the Association in Q4 of any year prior to the year of the
22 scheduled delivery, or (b) less than 45 days; the price of aircraft; the state of the
23 economy; the financial state of the Company; or the relative profitability or
24 unprofitability of the Company’s then-current operations.

25 Note one: For purposes of this definition, Company refers only to Delta Air Lines, Inc.,
26 and not any Company affiliate.

27 Note two: The Company will give ALPA prior written notice of its intent to declare
28 “circumstances over which the Company does not have control,” and its rationale.

29 715. “Code” means the unique two-character designator code assigned to an airline by
30 the International Air Transport Association (IATA). If IATA assigns or has assigned
31 more than one designator code for use by Delta, or Hawaiian or by a subsidiary of Delta,
32 or Hawaiian, then such additional designator code(s) will be included within the DL
33 code, or HA code, respectively.

34 816. “Company” means Delta Air Lines, Inc.

35 917. “Company affiliate” means an affiliate of the Company.

36 1018. “Company flying” means all flying reserved under **Section 1 C.** for performance
37 by pilots.

38 1119. “Control” for the purposes of **Section 1**, will exist by entity A over entity B, only
39 if A, whether directly or indirectly through the control of other entities:

- 40 a. owns securities that constitute and/or are exchangeable into, exercisable for or
41 convertible into more than:
42 1) 30 percent (49 percent with respect to the combined interest of the Company and
43 Company affiliates in a foreign air carrier) of B’s outstanding common stock, or if
44 stock in addition to common stock has voting power, then
45 2) 30 percent (49 percent with respect to the combined interest of the Company and
46 Company affiliates in a foreign air carrier) of the voting power of all outstanding

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1 securities of B entitled to vote generally for the election of members of B’s Board
2 of Directors or similar governing body, or

3 Note: For purposes of the definition of Global Partner, control by a foreign partner
4 (as entity A within the definition of control under *Section 1 B. 11.*) will only exist
5 over a controlled foreign air carrier affiliate (as entity B) under *Section 1 B. 11. a. 1)*
6 and 2) if that foreign partner, whether directly or indirectly through the control of
7 other entities, owns securities that constitute and/or are exchangeable into, exercisable
8 for or convertible into more than 49 percent of B’s outstanding common stock or
9 voting power of all outstanding securities, as provided under *Section 1 B. 11. a.*
10 Control by a foreign partner (as entity A within the definition of “control” under
11 *Section 1 B. 11.*) whether directly or indirectly through the control of other entities,
12 over a controlled foreign air carrier affiliate (as entity B) also exists if one or more of
13 the tests under *Section 1 B. 11. b. - f.* is satisfied.

- 14 b. has the power or right to manage or direct the management of all or substantially all
15 of B’s air carrier operations, or
16 c. has the power or right to designate or provide all or substantially all of B’s officers, or
17 d. has the power or right to determine B’s markets or (if B is an air carrier) markets or
18 flight schedules or to provide a majority of the following management services for B:
19 capacity planning, financial planning, strategic planning, market planning, marketing
20 and sales, technical operations, flight operations, and human resources activities, or
21 e. has the power or right to appoint or elect or prevent the appointment or election of a
22 majority of B’s Board of Directors, or other governing body having substantially the
23 powers and duties of a Board of Directors, or
24 f. has the power or right to appoint or elect or to prevent the appointment or election of
25 a minority of B’s Board of Directors or similar governing body, but only if such
26 minority has the power or right to appoint or remove B’s Chief Executive Officer, or
27 President, or Chief Operating Officer, or the majority membership of the Executive
28 Committee or similar committee on B’s Board of Directors, or the majority
29 membership of at least one-half of B’s Board committees.

30 ~~1220.~~ “Delta” means the Company.

31 ~~1321.~~ “Delta Connection Carrier” means a domestic air carrier that conducts flying
32 under *Section 1 D.*

33 ~~1422.~~ “Delta Connection flying” means flying conducted by a Delta Connection Carrier
34 for the Company.

35 ~~1523.~~ “Delta Global Flying” means all flight segments on twin-aisle widebody aircraft
36 or supersonic aircraft operated by Delta

37 a. to/from the United States in the:

38 1) Atlantic Theater,

39 2) Pacific Theater, or

40 3) Americas Theater.

41 b. on Fifth Freedom flights (excluding intra-North American Fifth Freedom Flights).

42 Exception: Flight segments on freighter aircraft, combi aircraft that do not carry ticketed
43 passengers, cargo-only flights, ferry flights, charter flights (other than scheduled charter
44 flights held out for public sale), MAC, and FCFs are not Global Flying.

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1 16. “Delta hub” means ATL, CVG, DTW, JFK, LAX, LGA, MSP, SEA, SLC, and any other
2 airport having a monthly average of at least 100 Delta scheduled flight departures per
3 day.

4 1724. “DL” means:
5 a. Delta,
6 b. its affiliates, and
7 c. any other carrier to the extent of its category A operations of flight segments using
8 the DL code.

9 1825. “Domestic air carrier” means an “air carrier” as defined in 49 U.S.C. Section
10 40102(a)(2) holding an air carrier certificate issued by the Administrator of the FAA
11 under 14 C.F.R. Section 119.5.

12 ~~26. “EASK” means equivalent available seat kilometers, a measurement of capacity adjusted~~
13 ~~for an aircraft’s seat density and cargo capacity, as defined and calculated in the~~
14 ~~AF/KL/AZ JV agreement.~~

15 1927. “Entity” means a natural person, corporation, association, partnership, trust or any
16 other form for conducting business, and any combination or concert of any of the
17 foregoing.

18 2028. “Fleet” means aircraft in service, undergoing maintenance, and operational spares.

19 2129. “Flight segment,” for the purposes of **Section 1**, means the operation of an aircraft
20 with one takeoff and one landing.

21 2230. “Foreign air carrier” means a “foreign air carrier” as defined in 49 U.S.C. Section
22 40102(a)(21).

23 ~~2334.~~ “Fragmentation transaction” means a transaction (other than a successor
24 transaction) in which the Company or a Company affiliate (other than a Company
25 affiliate performing flying only on permitted aircraft types) disposes of aircraft, route
26 authority or slots (net of aircraft, route authority or slots acquired within the 12-month
27 period preceding such transaction or acquired in a related transaction), which produced
28 10% or more of the operating revenue, block hours or available seat miles of the
29 Company or Company affiliate as applicable (excluding revenue, block hours or available
30 seat miles of Company affiliates performing flying only on permitted aircraft types)
31 during the 12 months immediately prior to the date of the agreement resulting in the
32 fragmentation transaction.

33 ~~2432.~~ ~~“Global Flying” means Delta Global Flying and/or Partner Global Flying.~~

34 ~~25. “Global Partner” (or, as used in **Section 1 O**, “partner”) means a foreign carrier that~~
35 ~~operates Partner Global Flying.~~

36 26. “Hawaiian” or “HA” means Hawaiian Airlines, Inc.

37 2733. “Hawaiian marketing agreement” means the Amended and Restated Codeshare
38 Agreement dated as of August 2, 2010 by and between Delta Air Lines, Inc. and
39 Hawaiian Airlines, Inc., as amended from time to time.

40 2835. “Industry standard interline agreement” means an agreement or other arrangement
41 between or among two or more carriers, such as the International Air Transport
42 Association’s “multilateral interline traffic agreements”, or an “interline ticket and
43 baggage agreement”, establishing rights and obligations relating to the acceptance and
44 accommodation of interline passengers and shipments.

45 2936. “Interim period” means the period between the closing
46 date of the corporate transaction pursuant to which the Company or any Company

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1 affiliate acquires control of the acquired airline (the “closing date”) and the later of the
2 effective date of an integrated seniority list or the effective date of a single collective
3 bargaining agreement covering the pilots and airmen involved.

4 [3037.](#) “International operation” means a flight segment to or from an airport, or between
5 airports, located outside the contiguous 48 states of the United States.

6 Exception: A flight segment between an airport located in the mainland United States
7 and Alaska will not be considered an international operation.

8 [3138.](#) “International partner flying” means flying performed by any foreign air carrier
9 (which is not a Company affiliate):

10 a. under or utilizing a designator code, trade name, brand, logo, trademarks, service
11 marks, aircraft livery or aircraft paint scheme currently or in the future utilized by the
12 Company or any Company affiliate, and/or

13 b. on aircraft on which the Company or any Company affiliate has purchased or
14 reserved blocked space or blocked seats for sale or resale to customers of the
15 Company or any Company affiliate.

16 ~~39. “KL” or “KLM” means Koninklijke Luchtvaart Maatschappij N.V.~~

17 [3240.](#) “Mainland United States” means the contiguous 48 states of the United States.

18 [3341.](#) “Material change” means an amendment to the Hawaiian marketing agreement
19 that:

20 a. affects the codeshare or prorate terms or conditions of the Hawaiian marketing
21 agreement and,

22 b. has or would have an adverse material economic impact on:

- 23 1) the structure or benefits of the Hawaiian marketing agreement to Delta, or
24 2) a substantial number of the Delta pilots.

25 [3442.](#) “Month,” for the purposes of **Section 1**, means calendar month.

26 [3544.](#) “Northwest” means Northwest Airlines, Inc.

27 [3645.](#) “Pacific Theater” means (a) Pacific Flying, as defined by **Section 1 B. 37.** and **2**
28 **A. X.**, (b) flying on all routes between the United States and Hawaii, and (c) flying on all
29 **routes between (i) a point in the United States, and (ii) a point that is west of longitude**
30 **145° W (excluding any points in North America) and east of longitude 90° E.**

31 [37.](#) “Pacific flying” means flying on all routes (a) across the Pacific or Arctic ocean between
32 North America (including Hawaii), on the one hand and Asia or Oceania, on the other
33 hand, (b) between Asia, on the one hand and Oceania, on the other hand, and (c) to/from
34 points within Asia.

35 [3846.](#) “Parent” means any entity that controls another entity.

36 [39.](#) “Partner Global Flying” means all flight segments on twin-aisle widebody aircraft or
37 supersonic aircraft operated by a foreign partner (its affiliate(s) or contract carriers)

38 a. that is subject to a profit/loss sharing agreement, as defined by **Section 1 B. 43.**, to
39 which Delta is a party;

40 Exception one: Transborder flights between the mainland United States and Canada
41 or Mexico are not Partner Global Flying;

42 Exception two: Flying that is described in a profit/loss sharing agreement but over
43 which the Company does not have network governance (e.g., Blue Skies Bundle 2), is
44 not Partner Global Flying under **Section 1 B. 39. a.**;

45 or

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1 b. in which the Company and a Company affiliate(s) have a combined ownership level
2 (i.e., the percentage of ownership referred to in *Section 1 B. 11. a.*) of 20% or more,
3 and to/from the United States and

- 4 1) crosses the Atlantic,
5 2) crosses the Arctic,
6 3) crosses the Pacific, or
7 4) operates to/from South America;
8 or

9 c. on any Delta codeshare flight segment, not covered by *Section 1 B. 39. a. or b.*,
10 during any month in which the Company or any Company affiliate books or tickets
11 under the Company’s or Company affiliate’s designator code, reserves, blocks, and/or
12 purchases for resale:

- 13 1) more than 30% of passenger seats on any pair of flight segments in a city pair
14 (e.g., JFK-NBO-JFK, AMS-BOM-AMS) of such foreign air carrier; or
15 2) an average of more than 120 seats per flight segment (e.g., NBO-JFK, BOM-
16 AMS) of such foreign air carrier.

17 Exception: Flight segments on freighter aircraft, combi aircraft that do not carry ticketed
18 passengers, cargo-only flights, ferry flights, scheduled charter flights (other than
19 scheduled charter flights held out for public sale), MAC, and FCFs are not Global Flying.

20 4047. “Permitted aircraft type” means:

- 21 a. an aircraft operated by Delta Private Jets as an affiliate of the Company (or a
22 successor to Delta Private Jets that remains an affiliate of the Company), certificated
23 in the United States for 19 or fewer passenger seats and with a maximum certificated
24 gross takeoff weight in the United States of 65,000 or fewer pounds,
25 Exception: Up to five aircraft certificated in the United States for 19 or fewer
26 passenger seats may have a maximum certificated gross takeoff weight in the United
27 States of 99,900 or fewer pounds,
28 and
29 b. one of up to 125 aircraft (other than the aircraft in *Section 1 B. 40. a.*) certificated for
30 operation in the United States for 50 or fewer passenger seats and with a maximum
31 certificated gross takeoff weight in the United States of 65,000 or fewer pounds (“50-
32 seat aircraft”), and
33 c. one of up to 102 aircraft configured with 51-70 passenger seats and certificated in the
34 United States with a maximum gross takeoff weight of 86,000 pounds or less (“70-
35 seat aircraft”), and
36 d. one of up to 223 aircraft configured with 71-76 passenger seats and certificated in the
37 United States with a maximum gross takeoff weight of 86,000 pounds or less (“76-
38 seat aircraft”).

39 Note: If on January 1, 2014, or any succeeding January 1 thereafter, the number of
40 50-seat aircraft in category A or C operations exceeds the maximum permitted
41 number, the Company will require carriers that engage in category A or C operations
42 to suspend or cease operations on a sufficient number of 50-seat aircraft or 76-seat
43 aircraft to comply with these requirements within 60 days and to remain in
44 compliance thereafter. The Company will be excused from compliance with the
45 provisions of this Note in the event a circumstance over which the Company does not
46 have control is the cause of such non-compliance.

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1 Exception one: Up to the 36 EMB-175s that were operated and/or ordered by
2 Northwest prior to October 30, 2008 may continue to be operated with up to a
3 maximum gross takeoff weight of 89,000 pounds.

4 Exception two: In the event the hiring or flow provisions of NWA LOA 2006-10 or
5 LOA #9 cease to be available, either at the feeder carrier affiliate referenced in such
6 LOAs or at another carrier, the number of permitted 76-seat aircraft in **Section 1 B.**
7 **40. d.** will be reduced by 35.

8 **4148.** “Pilot” means an employee of Delta Air Lines, Inc. whose name appears on the
9 Delta Air Lines Pilots’ system seniority list.

10 Note: For ease of reading in **Section 1**, the defined term “pilot” may be modified by the
11 word “Delta.” Such modification does not change the meaning of the defined term
12 “pilot.”

13 **4249.** “Pilot Working Agreement” or “PWA” means the basic collective bargaining
14 agreement between Delta Air Lines, Inc. and the air line pilots in the service of Delta Air
15 Lines, Inc. as represented by the Air Line Pilots Association, International, together with
16 all effective amendments, supplemental agreements, letters of agreement, and letters of
17 understanding between the Company and the Association.

18 **4350.** “Profit/loss sharing agreement” means an agreement or arrangement in which the
19 Company or a Company affiliate shares in the economic performance of one or more
20 other carriers and/or of its or their affiliate or affiliates, through incremental revenue
21 sharing or the sharing of profits or losses in connection with the Company’s and the other
22 carrier or carriers’ carriage of passengers. An agreement or arrangement that constitutes
23 an industry standard interline agreement, a codeshare agreement with a carrier engaged in
24 international partner flying in which there is no sharing in the economic performance of
25 the carrier’s flying through incremental revenue sharing or the sharing of profits or
26 losses, a prorate agreement, a sales/super commission agreement, the Hawaiian and
27 Alaska marketing agreements, and an arrangement between the Company and any
28 Company affiliate and one or more Delta Connection Carriers is not a profit/loss sharing
29 agreement.

30 **4451.** “Prorate Agreement” means an agreement between the Company or a Company
31 affiliate and another carrier or its affiliate for the proration of interline revenue between
32 them, under a standard interline prorate formula, and in a manner that provides no
33 economic benefit to the Company other than from the carriage of passengers by the
34 Company. The term "economic benefit" does not include the reimbursement of
35 distribution costs or industry standard interline service charges.

36 **45.** “Remediated aircraft block hours” means, for purposes of **Section 1 O.**, the aircraft block
37 hours resulting from a shortfall in Delta Global Flying that is remedied or cured with
38 additional twin-aisle widebody pilot staffing consistent with **Section 1 O. 9.** Remediated
39 aircraft block hours will be distributed evenly across each quarter of the violation period.

40 **46.** “Remediation period” means, for purposes of **Section 1 O.**, a period of time, in bid
41 periods, during which additional pilot staffing required under **Section 1 O. 8.** is in effect.
42 This period begins upon the conversion of the required number of additional pilots and
43 lasts for as many months as the applicable violation period.

44 **4752.** “Scheduled block hour” means an hour of scheduled block time.

45 **48.** “South America” means, for purposes of **Section 1 O.** and related definitions in this
46 Section, the continent bordering the Republic of Panama to the south.

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1 4953. “Subsidiary” means any entity that is controlled by another entity.

2 50. “Supersonic aircraft” means an aircraft that can achieve cruise speeds above Mach .95.

3 51. “Twin-aisle widebody aircraft” means, for purposes of *Section 1 O.* and related
4 definitions in this Section, any aircraft that has more than one aisle.

5 5254. “United States” means the United States and its possessions and territories
6 including but not limited to the Commonwealth of Puerto Rico.

7 5358. “Violation period” means, for purposes of *Section 1 O.*, a measurement period
8 during which there is a shortfall between the number of Delta’s aircraft block hours and
9 the total aircraft block hours required of Delta under *Section 1 O.*

10 ~~“VS” or “Virgin Atlantic” means Virgin Atlantic Airways Limited and any controlled foreign~~
11 ~~air carrier affiliate of Virgin Atlantic Limited.~~

12 ~~Note one: For purposes of the definition of VS or Virgin Atlantic, control by Virgin Atlantic~~
13 ~~Limited (as entity A within the definition of control under *Section 1 B. 19.*) will only~~
14 ~~exist over a controlled foreign air carrier affiliate (as entity B) under *Section 1 B. 19. a.*~~
15 ~~1) and 2) if Virgin Atlantic Limited, whether directly or indirectly through the control of~~
16 ~~other entities, owns securities that constitute and/or are exchangeable into, exercisable for~~
17 ~~or convertible into more than 49 percent of B’s outstanding common stock or voting~~
18 ~~power of all outstanding securities, as provided under *Section 1 B. 19. a.* Control by~~
19 ~~Virgin Atlantic Limited (as entity A within the definition of “control” under *Section 1 B.*~~
20 ~~19.) whether directly or indirectly through the control of other entities, over a controlled~~
21 ~~foreign air carrier affiliate (as entity B) also exists if one or more of the tests under~~
22 ~~*Section 1 B. 19. b. f.* is satisfied.~~

23 ~~Note two: In the event the owners of Virgin Atlantic Limited form an entity or use an~~
24 ~~existing entity (“Entity X”) through which they hold their investment in Virgin Atlantic~~
25 ~~Airways Limited, then that Entity X will replace all references to Virgin Atlantic Limited~~
26 ~~in *Section 1 B. 58.*, including *Note one* thereunder and in *Section 1 R. 2. a. Note b.*, for~~
27 ~~purposes of determining whether there is a controlled foreign air carrier affiliate. For~~
28 ~~example, if there is any such substitution of Entity X for Virgin Atlantic Limited, *Section*~~
29 ~~1 B. 58. would read: “‘VS’ or ‘Virgin Atlantic’ means Virgin Atlantic Airways Limited~~
30 ~~and any controlled foreign air carrier affiliate of Entity X.”~~

31 ~~Note three: In the event the Company divests its equity interest in Virgin Atlantic Limited or~~
32 ~~any entity that controls, directly or indirectly, Virgin Atlantic Airways Limited, *Section 1*~~
33 ~~B. 58. *Notes one* and *two* will be null and void and the definition of “VS” or “Virgin~~
34 ~~Atlantic” and the provisions of *Section 1 R.* will revert to the versions in effect as of the~~
35 ~~day prior to December 1, 2016.~~

36 ~~Note four: In the event the Company owns its equity interest in Virgin Atlantic Airways~~
37 ~~Limited directly and not indirectly through Virgin Atlantic Limited or Entity X, then~~
38 ~~Virgin Atlantic Airways Limited will replace all references to Virgin Atlantic Limited or~~
39 ~~to Entity X in *Section 1 B. 58.* and in *Section 1 R. 2. a. Note b.* If the Company~~
40 ~~thereafter again owns its equity interest in Virgin Atlantic Airways Limited indirectly~~
41 ~~through another entity (Entity Y), then Entity Y will be added to *Section 1 B. 58.* and~~
42 ~~*Section 1 R. 2. a. Note b.* as if it were Virgin Atlantic Limited in the foregoing~~
43 ~~provisions.~~

44 59. “VS JV” means the business relationship between Delta and Virgin Atlantic as embodied
45 in the Joint Venture Agreement between Delta and Virgin Atlantic as in effect on January
46 1, 2014.

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C. Scope

Except as provided in **Sections 1 D., E., O., and Q.:**

1. All flying performed by or for the Company or any Company affiliate will be performed by pilots in accordance with the terms and conditions of this PWA.
2. **Section 1 C. 1.** includes without limitation all passenger flying, cargo flying, freight flying, positioning flights, and ferry flights (scheduled and non-scheduled, revenue and non-revenue) and non-scheduled flights as defined in **Section 2** of this PWA:
 - a. performed by or for the Company or any Company affiliate on aircraft owned, leased or operated by the Company or any Company affiliate;
 - b. performed on aircraft under the operational control of the Company or any Company affiliate (excluding advisory flight planning and following services provided by the Company on a fee for service basis to other air carriers);
 - c. performed for the Company or any Company affiliate by any Company affiliate or other air carrier;
 - d. performed by any air carrier under or utilizing a designator code, trade name, brand, logo, trademarks, service marks, aircraft livery or aircraft paint scheme currently or in the future utilized by the Company or any Company affiliate, or performed on aircraft on which the Company or any Company affiliate has purchased or reserved blocked space or blocked seats for sale or resale to customers of the Company or any Company affiliate;
 - e. performed by Delta pilots for any other air carrier.
3. There will be no contracting or subcontracting of any Company flying to any other air carrier or performance of Company flying by pilots of any other air carrier without the prior written consent of the Delta MEC.
4. Nothing in **Section 1 C.** will be interpreted to cover flying performed by an air carrier other than the Company or a Company affiliate, merely because of its participation in industry standard interline agreements.
5. Nothing in **Section 1 C.** will be interpreted to cover flying performed by an air carrier other than the Company or any Company affiliate, merely because of its participation in the Company's or any Company affiliate's frequent flyer miles program under which passengers of such other carrier by frequent travel on board the aircraft of that carrier or its affiliate, may earn travel or other awards.
6. Neither the Company nor any Company affiliate will establish or maintain a pilot base at any point outside the United States unless all Company flying to and from such base is conducted by pilots who continue at all times to be covered in all respects by this PWA and the Railway Labor Act. Bidding and staffing for such base will be governed by the PWA without regard to visa or immigration requirements. The Company and any air carrier affiliate that is controlled by either the Company or a Parent Company (formed as described in **Section 1 L. 1. d.**) will continue at all times as domestic air carriers and will maintain their headquarters for their senior executive personnel in the fifty United States.
7. The Company and its Company affiliates will not train, or contract for training of, persons other than Delta pilots to perform Company flying.
8. The Delta name will be prominently displayed on all Company aircraft performing Company flying.

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1 9. Minimum of Two Qualified, Type-Rated Pilots on the Aircraft

- 2 a. No aircraft performing Company flying will operate with fewer than two pilots.
3 b. If the applicable regulatory authority permits a Delta partner to operate a passenger
4 aircraft with fewer than two qualified, type-rated airmen on its flight deck, the
5 Company and the Association will meet for the purposes of negotiating whether such
6 partner will continue performing flying permitted as an exception to **Section 1 C**.
7

8 D. Permitted Arrangement with Respect to Category A and C Operations
9

- 10 1. **Section 1 C**. will not apply to category A or C operations on any permitted aircraft type.
11 Exception: If a permitted aircraft type meets the certificated passenger seat requirement
12 of **Section 1 B. 40. b**. when first placed into service by a Delta Connection Carrier but is
13 subsequently certificated for operation in the United States with a maximum passenger
14 seating capacity in excess of 50 passenger seats, this permitted aircraft type may continue
15 to be operated by Delta Connection Carriers as long as all Delta Connection Carriers
16 operate such permitted aircraft type with no more than 50 passenger seats and with a
17 maximum certificated gross takeoff weight in the United States of 65,000 or fewer
18 pounds at all times.
19 2. If a domestic air carrier operates permitted aircraft types and that carrier or its affiliate
20 operates aircraft other than permitted aircraft types, the exemption for that domestic air
21 carrier provided by **Section 1 D. 1**. will not apply unless:
22 a. the flying on aircraft other than permitted aircraft types is not performed for the
23 Company or a Company affiliate within the meaning of **Section 1 C**., and
24 b. there is no reduction in the level of the Company’s then existing system scheduled
25 aircraft block hours of flying as the result of the performance of such flying on other
26 than a permitted aircraft type, and
27 c. the aircraft other than a permitted aircraft type, is either:
28 1) a jet aircraft certificated for operation in the United States for 106 or fewer
29 passenger seats and configured with 97 or fewer passenger seats (provided that
30 any jet aircraft configured with between 77 and 97 passenger seats is not flown on
31 a city pair that is served by the Company or a Company affiliate), or
32 2) a propeller driven aircraft configured with 72 or fewer passenger seats, and is
33 operated on its own behalf or pursuant to an agreement with an air carrier(s) other
34 than the Company or an affiliate.

35 Exception: If a carrier or an affiliate of a carrier that performs category A or C
36 operations acquires an aircraft that would cause the Company to no longer be in
37 compliance with the provisions of **Section 1 D. 2. c.**, the Company will terminate
38 such operations on the date that is the later of the date such aircraft is placed in
39 revenue service, or nine months from the date that the Company first became aware
40 of the potential acquisition.

- 41 3. **Section 1 C**. will not apply to flying performed by a Company affiliate on permitted
42 aircraft types.
43 4. At least 85% of all category A and C operations each month will be under 900 statute
44 miles.
45 5. At least 90% of all category A and C operations each month will operate to or from the
46 following airports: Atlanta, Cincinnati, Detroit, Fort Lauderdale, Los Angeles,

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1 Minneapolis, New York Kennedy, New York LaGuardia, Orlando, Salt Lake City,
2 Seattle, and Tampa, regardless of the number of daily departures of Company flying at
3 such airports, and any other airport in a month in which such other airport has a monthly
4 average of more than 50 daily departures of Company flying.

- 5 6. No more than 6% of category A and C operations each month will be between the
6 airports in **Section 1 D. 5**. For purposes of **Section 1 D. 6**., Delta Connection flying
7 operated between FLL and TPA, FLL and MCO, or TPA and MCO will not be
8 considered flying between airports in **Section 1 D. 5**.
- 9 7. Delta Connection flying aircraft will only bear the name “Delta” as part of a phrase
10 referencing a Connection-type operation.
- 11 8. **Section 1 C**. will not apply to prevent the Company or any Company affiliate from
12 acquiring control of a domestic air carrier that operates aircraft other than permitted
13 aircraft types (a domestic air carrier that the Company or any Company affiliate acquires
14 control of is referred to for purposes of **Section 1 D. 8**. as an “acquired airline”) and
15 operating such acquired airline pending a merger of the Company and the acquired
16 airline, provided that:
- 17 a. the Company agrees to operationally merge with the acquired airline and become a
18 single corporation, a single carrier under the Federal Aviation Act and a single
19 transportation system under the Railway Labor Act, with a single air carrier
20 certificate, a single pilot class or craft, not later than six months after the later of:
21 1) the effective date of issuance of a final and binding integrated pilot seniority list,
22 or
23 2) the effective date of a single bargaining agreement.
- 24 b. the pilot seniority lists of the Company and the acquired airline will be integrated
25 pursuant to Association merger policy if both groups are represented by the
26 Association, or if the airmen of the acquired airline are not represented by the
27 Association, then pursuant to Sections 3 and 13 of the Allegheny-Mohawk Labor
28 Protective Provisions as provided in Section 117 of Public Law 110-161.
- 29 1) In the event the pilot seniority lists are integrated pursuant to Association merger
30 policy, the integrated seniority list produced by the Association, including any
31 attendant conditions and restrictions, will be subject to the approval of the
32 Company, and will be submitted to the Company for approval within twelve
33 months of the date the Company or any affiliate acquired control of the acquired
34 airline. The Company will accept the integrated seniority list produced under
35 Association merger policy, provided that none of the attendant conditions and
36 restrictions therein:
- 37 a. require a system flush whereby pilots may displace any other pilots from the
38 latter’s position,
39 b. require a pilot to be compensated for flying not performed (e.g. differential
40 pay for a position not flown),
41 c. bar a pilot who, at the time of implementation of an integrated seniority list, is
42 in the process of completing or who has completed qualification training for a
43 new position (e.g., A-350 Captain or A-320 First Officer) from being assigned
44 to the position for which they have been trained, regardless of the pilot’s
45 relative standing on the integrated seniority list;
46 d. significantly increase the Company's costs, or

- 1 e. provide that a pilot will be displaced from the pilot’s position by a pilot of the
2 other pre-merger pilot group solely as the result of the implementation of, or
3 the expiration of, any condition or restriction.
- 4 2) The Company will provide the Association with its decision as to approval or
5 disapproval (including its reasons for disapproval based on **Section 1 D. 8. b. 1)**
6 **a) – e)** of the integrated seniority list produced by the Association within two
7 weeks following receipt of the integrated seniority list. If the Association does
8 not without good cause produce and present an integrated seniority list to the
9 Company for approval within twelve months of the date the Company or any
10 affiliate acquired control of the acquired airline, the pilot and airman seniority
11 lists of the Company and the acquired airline, respectively, will be integrated
12 pursuant to the arbitration procedures set forth in **Section 1 D. 8. b. 3)**.
- 13 3) The Company’s decision to reject a list produced by the Association under
14 **Section 1 D. 8. b. 1)** is subject to **Section 1 M.** Any time between such Company
15 decision and the filing of a grievance under **Section 1 M.** challenging the
16 Company’s failure to approve a list produced under **Section 1 D. 8. b. 1)** will be
17 excluded from the twelve-month period under **Section 1 D. 8. b. 1)** and 2). The
18 Association may modify the attendant conditions and restrictions and resubmit it
19 to the Company for approval within three months after the date of such rejection,
20 or the date of an award under **Section 1 M.**, or at the election of the Association,
21 the Association and the Company will submit to an arbitrator mutually selected by
22 the Association and the Company for a final and binding decision, the choice of
23 attendant conditions and restrictions produced by the Association and produced
24 by the Company. If the seniority list integration issue is to be submitted to an
25 arbitrator and the Company and the Association cannot agree on the selection of
26 an arbitrator, the arbitrator will be selected from the list of arbitrators referred to
27 in **Section 19**, utilizing the alternate strike-off method, with the right to first strike
28 a name from such list determined by the toss of a coin.
- 29 4) If the Association does not resubmit modified attendant conditions and
30 restrictions within the permitted time period or does so resubmit modified
31 attendant conditions and restrictions list that are again rejected by the Company,
32 then the matter will be decided through the arbitration procedure set forth in the
33 third and fourth sentences of **Section 1 D. 8. b. 3)**.
- 34 c. wages and benefits for the airmen of the acquired airline, to be effective upon the
35 integration of the two seniority lists, will be negotiated between the Company and the
36 Association. Nothing herein will entitle either the Company or the Association to
37 negotiate any other provision of this PWA except as this PWA otherwise permits.
- 38 d. during the interim period the aircraft (including owned aircraft, leased aircraft, and all
39 orders to purchase aircraft) of each pre-merger airline will remain separated. Such
40 pre-merger aircraft of the Company will be operated by pilots in accordance with the
41 terms and conditions of this PWA. Such pre-merger aircraft of the acquired airline
42 will be operated by airmen on its seniority list. Nothing in **Section 1 D. 8. d.** will
43 apply to prevent the Company from removing any aircraft from the fleet of either
44 airline. In the event aircraft are removed from either fleet prior to the operational
45 merger the Company and its Company affiliates will make reasonable efforts
46 consistent with the then existing financial and operational needs of the service, to

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- 1 ensure that the ratio of the total number of aircraft block hours operated by pilots to
2 the aircraft block hours operated by airmen of the acquired airline (“block hour
3 ratio”) is not reduced below the block hour ratio that existed on the date the Company
4 or any Company affiliate acquired control of the acquired airline.
- 5 1) during the interim period, any aircraft delivered to the Company which are of an
6 aircraft type operated by pilots in a Delta category (excluding any orders by the
7 acquired carrier, as listed in the most recent 10-K filing of that carrier (or an
8 affiliate of that carrier) preceding the merger announcement date), will be
9 operated by pilots in accordance with the terms and conditions of this PWA.
- 10 2) during the interim period, no less than X percent of all aircraft delivered to the
11 Company of each type not operated by the Company prior to the closing date
12 (excluding any orders by the acquired carrier, as listed in the most recent 10-K
13 filing of that carrier (or an affiliate of that carrier) preceding the merger
14 announcement date), will be operated by pilots in accordance with the terms and
15 conditions of this PWA. X percent will equal the aggregate number of Company
16 aircraft block hours divided by the combined aircraft block hours of the Company
17 and the acquired carrier in the full twelve-month period prior to the closing date.
- 18 e. during the interim period, the scheduled pilot block hours in any month will not be
19 less than the scheduled pilot block hours in the same month of the twelve-month
20 period prior to the closing date of the corporate transaction. The Company will be
21 excused from compliance with such minimum scheduled aircraft block hours
22 requirement if either a circumstance over which the Company does not have control,
23 or a governmental agency requirement causing the Company to reduce or cancel
24 service as a condition of approval of the transaction, is the cause of such non-
25 compliance.
- 26 9. The Company will maintain a minimum ratio of revenue block hours of Company flying
27 on all narrowbody aircraft and all B-767-300 (non – ER) aircraft (MBH) to revenue block
28 hours of flying in category A and C operations (DBH) of 1.7.
- 29 a. The Company’s compliance with the minimum ratio of MBH to DBH will be
30 measured for the first time on July 1, 2014 and then measured again each succeeding
31 July 1 thereafter, in each instance for the preceding 12 months on a weighted basis by
32 the number of 76-seat aircraft in category A or C operations each month.
- 33 b. Beginning on July 1, 2013, and continuing on each succeeding January 1 and July 1
34 thereafter, the Company will provide to the Association a projection of scheduled
35 MBH and DBH for the following six-month period commencing on such July 1 or
36 January 1, as applicable.
- 37 c. The Company will only be excused from compliance with the minimum ratio of
38 MBH to DBH:
- 39 1) if it was projected to be in compliance with the minimum ratio of MBH to DBH
40 in both of the preceding six-month projection periods (i.e., both the January 1 and
41 July 1 projections of the preceding 12 months), or
42 2) in the event a circumstance over which the Company does not have control is the
43 cause of such noncompliance.
- 44 d. In the event the Company is excused from compliance with the minimum ratio of
45 MBH to DBH under *Section 1 D. 9. e. 1*), it must remedy its non-compliance by the
46 following January 1 by achieving the minimum ratio of MBH to DBH as measured

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1 for the prior twelve months (i.e., January 1 of the then-current year to December 31 of
2 the then-current year).

3 10. The Company will fill a minimum of 35% of the aggregate of all positions in Delta pilot
4 new-hire classes in each trailing twelve-month period (to the extent airmen are available)
5 with ALPA-represented airmen at Delta Connection Carriers, subject to such airmen
6 meeting the Company’s competitive hiring standards, and subject to the Company’s
7 objectives for diversity and experience among newly hired pilots. Airmen who flow up
8 pursuant to LOA #9 and LOA #10 count toward satisfaction of such minimum
9 percentage.

10 11. The Company will offer preferential interviews for employment to airmen employed by
11 carriers whose airmen were represented by the Association at the time those carriers
12 ceased operations, subject to the Company’s objectives for diversity and experience
13 among newly hired pilots and subject to **Section 1 D. 10**.

14 E. Permitted Arrangements with Foreign Air Carriers

15 1. **Section 1 C.** will not apply to international partner flying under **Section 1 E.**

16 2. Without the consent of the Delta MEC, neither the Company nor any Company affiliate
17 will enter into or maintain an agreement or arrangement with any foreign air carrier
18 performing international partner flying that permits the Company or any Company
19 affiliate to book or ticket under the Company’s or Company affiliate’s designator code,
20 reserve, block, and/or purchase for resale:

21 a. more than 40% of the passenger seats in any month on any pair of flight segments in
22 a city pair (e.g., CDG-ATL-CDG) of such foreign air carrier,

23 b. a monthly average of more than 175 passenger seats per flight segment (e.g., CDG-
24 ATL or ATL-CDG) of such foreign air carrier on flying other than flying covered by
25 **Section 1 E. 2. c.** and **d.**, or

26 c. a monthly average of more than 75 passenger seats per flight segment of such foreign
27 air carrier to and from Mexico, the Caribbean, Canada or Central America, and

28 d. a monthly average of more than 100 passenger seats per flight segment of such
29 foreign air carrier on any Fifth Freedom flight segment between Japan and the
30 People’s Republic of China (i.e., Mainland China including HKG), the Republic of
31 China (i.e., Taiwan), and the Republic of Korea, and

32 e. passenger seats on any Fifth Freedom flight segment between Japan and Asian cities
33 beyond Japan unless the Company scheduled during the previous rolling 12 month
34 period, measured at the end of each calendar quarter, the greater of:

35 1) 182,750 aircraft block hours of Pacific flying, or

36 2) 85% of the total aircraft block hours of Pacific flying in the previous
37 measurement period.

38 Note: The Company will be excused from compliance with this provision in the
39 event a circumstance over which the Company does not have control is the cause of
40 such non-compliance.

41 3. If the Company’s and a Company affiliate’s combined ownership level (i.e., the
42 percentage of ownership referred to in **Section 1 B. 11. a.**) in a foreign air carrier exceeds
43 25%, the Company flying block hours scheduled in any month between the United States
44 and any country to or from which the foreign air carrier operates from or to the United
45
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1 States, will not be less than the Company flying block hours scheduled between the two
2 countries in the same month of the twelve-month period prior to the month in which the
3 Company's ownership level first exceeds 25%. The Company will be excused from
4 compliance with this provision in the event a circumstance over which the Company does
5 not have control is the cause of such non-compliance.

- 6 4. No foreign air carrier will in the performance of international partner flying take on for
7 hire, persons, property or mail at any point within the United States that is destined to be
8 transported by such foreign air carrier to any other point within the United States.
- 9 5. Neither the Company nor a Company affiliate will place its code on the flight of a foreign
10 air carrier that operates any flights in which it takes on for hire persons, property or mail
11 at any point in the United States that is destined to be transported to any other point
12 within the United States, except for property transported between the state of Alaska and
13 the mainland United States pursuant to 49 U.S.C. § 41703(e).
- 14 6. The Company will join the Association in opposing any change in U.S. law that would
15 permit foreign air carriers to take on for hire, persons, property or mail at any point
16 within the United States that is destined to be transported by such foreign air carrier to
17 any other point within the United States, and in opposing any change in U.S. law that
18 would permit persons other than U.S. citizens to increase their ownership above the level
19 permitted as of March 1, 2012, or to acquire control of Delta.
- 20 7. In addition to all other restrictions specified in **Section 1**, the Company or a Company
21 affiliate may only enter into or maintain a profit/loss sharing agreement with a foreign air
22 carrier engaged in international partner flying the home country of which is served by at
23 least four Company roundtrips per week between the U.S. and that country.
- 24 8. In the event the Company or a Company affiliate enters into or maintains a profit/loss
25 sharing agreement with a foreign air carrier, Company flying between the United States
26 and the home country of such foreign air carrier as well as any country to which such
27 foreign air carrier operates nonstop from the United States will, in each rolling three
28 month period, be no less than the Company's scheduled block hours of Company flying
29 between the United States and any such country in the same three months of the twelve-
30 month period prior to the month in which such agreement first became effective. Further,
31 in each trailing twelve-month period measured at the end of each calendar quarter, the
32 Company's share of revenue block hours flown under the profit/loss sharing agreement
33 will be at least 75% of the Company's share of revenue subject to the profit/loss sharing
34 agreement and generated by flying conducted on segments subject to the profit/loss
35 sharing agreement in that twelve-month period. The Company will be excused from
36 compliance with either or both of these provisions in the event a circumstance over which
37 the Company does not have control is the cause of such non-compliance.
- 38 9. Except as approved by the Delta MEC, or as otherwise provided by **Section 1 E.**, a
39 carrier engaged in international partner flying will maintain a separate operating and
40 corporate identity from the Company including, but not limited to, name, trade name,
41 logo, livery, trademarks or service marks. The Delta MEC may, at its option, approve the
42 use by a carrier engaged in international partner flying of a trade name, brand, logo,
43 trademarks, service marks, aircraft livery or aircraft paint scheme currently or in the
44 future utilized by the Company or any Company affiliate.
- 45 10. The Company will review with the Association any Company plans to amend a
46 profit/loss sharing agreement or enter into a new profit/loss sharing agreement. Before

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1 any such amended or new profit/loss sharing agreement is finalized, the parties will meet
2 for the purposes of negotiating terms applicable to such amended or new profit/loss
3 sharing agreement. If the parties reach an agreement on a production balance (i.e., a ratio
4 of block hours, EASKs, frequencies, ASMs, or other parameters, performed by Delta
5 compared to those performed by the other carrier(s) in the agreement) under an amended
6 or new profit/loss sharing agreement, then the provisions of **Section 1 E. 2. a. – d.** and
7 **Section 1 E. 7.** and **8.** will not apply to Company flying performed under that profit/loss
8 sharing agreement.

9 Note: For purposes of **Sections 1 E. 7.** and **8.**, the “home country” means the foreign country
10 from which a foreign air carrier (“carrier A”) in a profit/loss sharing agreement with the
11 Company primarily operates; it also means a foreign country from which a foreign air carrier
12 primarily operates if that air carrier:

- 13 a. is an affiliate of carrier A,
- 14 b. operates within the same primary geographical scope of the profit/loss sharing
15 agreement between the Company and carrier A but is not included in such agreement,
16 and
- 17 c. operates four or more weekly roundtrips between the United States and the foreign
18 country from which it primarily operates, and
- 19 ~~d. is not otherwise subject to terms in the agreement between the Company and carrier A~~
20 consistent with the provisions of Section 1 P. 7.

21 F. Company Affiliates and Successors

- 22
- 23 1. The PWA will be binding upon any Company affiliate. The Company will not conclude
24 any agreement or arrangement that establishes or that will establish a Company affiliate
25 unless the entity that will become such Company affiliate agrees in writing as an
26 irrevocable condition of such agreement or arrangement to be bound by the PWA and if
27 the affiliate is an air carrier or parent or subsidiary of an air carrier, to operate as part of a
28 single carrier with the Company under the PWA, unless the affiliate operates only
29 permitted aircraft types.
- 30 2. The PWA will be binding upon any successor, including without limitation, any merged
31 company or companies (as defined in Section 2. (a) of the Allegheny-Mohawk Labor
32 Protective Provisions), assignee, purchaser, transferee, administrator, receiver, executor
33 and/or trustee of all or substantially all of the equity securities and/or assets of the
34 Company or any affiliate (a “successor”) whether as a result of a single transaction or
35 multi-step transactions (a “successorship transaction”). Neither the Company nor any
36 affiliate will conclude any agreement with a successor for a successorship transaction, or
37 that will result in or create a successor, unless the successor agrees in writing to assume
38 and be bound by the PWA, to recognize the Association as the representative of the pilots
39 consistent with the Railway Labor Act, and to agree that the employment of such pilots
40 will be pursuant to the terms of the PWA.
- 41 3. If a Company affiliate or successor is an air carrier or controls or is controlled by an air
42 carrier (other than an air carrier that operates only permitted aircraft types), the
43 requirements of **Section 1 D. 8. a. – e.** will govern the resulting operational merger,
44 provided that the following specific provisions will apply to such Company affiliate or
45 successor if the Company affiliate or successor controls or acquires control of the
46 Company, and provided further that this provision will not affect the relationship between

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1 the Company and any of its non air-carrier Company affiliates:

- 2 a. Subject to **Section 1 F. 3. b., c., and d.**, the provisions of **Section 1 D. 8. a. – e.** will
3 be construed so that those procedures will apply to **Section 1 F. 3.** as in the
4 circumstances where the Company is the acquiring entity.
 - 5 b. If a Company affiliate or successor did not employ a pre-existing airmen group (as
6 defined in **Section 1 F. 3. d.**), the resulting seniority list of the merged operation will
7 consist of the pilot seniority list, followed by airmen hired by the Company affiliate
8 or successor whether before or after the date of the operational merger.
 - 9 c. If a Company affiliate or successor employed a pre-existing airmen group, the pilot
10 and airmen seniority lists of the Company and the Company affiliate or successor will
11 be integrated pursuant to Association merger policy if both groups are represented by
12 the Association (in which case **Section 1 D. 8. b. 1) – 4)** will apply), or if the airmen
13 of the Company affiliate or successor are not represented by the Association, then
14 pursuant to Sections 3 and 13 of the Allegheny-Mohawk Labor Protective Provisions
15 as provided in Section 117 of Public Law 110-161.
 - 16 d. For purposes of **Section 1 F. 3.**, the phrase “employed a pre-existing airmen group”
17 means that the entity involved (or any entity that it controls or is controlled by)
18 employed airmen continuously from a date at least sixty days prior to the date of the
19 agreement resulting in the entity becoming a Company affiliate or successor.
- 20 4. Before concluding any agreement or arrangement which would result in a successorship
21 transaction or establish a Company affiliate, the Company will provide advance notice to
22 the Association (to the extent consistent with the Company’s legal obligations regarding
23 disclosure of information related to the agreement or arrangement) of the successorship
24 transaction or establishment of a Company affiliate.

25 G. Change in Control

- 26 1. In the event that through a single transaction or multi-step related transactions, any entity
27 acquires control of the Company or any Company affiliate air carrier that operates other
28 than permitted aircraft types (any such transaction, a “change in control”), the
29 Association will have the right in its sole discretion upon written notice to the Company
30 within 60 days of receiving written notice of the change in control, to either:
31 a. serve a Section 6 notice to reopen the PWA in whole or in part, or
32 b. extend the duration of the PWA for one, two or three years, at the Association’s
33 option, past the amendable date with 3% annual wage increases on the amendable
34 date and on the subsequent anniversary date(s) of the amendable dates, if applicable.
- 35 2. **Section 1 G. 1.** will not apply if the transaction that constitutes a “change in control”
36 consists solely of a corporate form restructuring that creates a parent holding company of
37 the Company, whose shareholders and Board of Directors at the closing of the transaction
38 are substantially the same as the shareholders and Board of Directors of the Company
39 immediately preceding the transaction. **Section 1 G. 1.** also will not apply to a
40 transaction during the Company’s Chapter 11 reorganization or to a plan of
41 reorganization resulting in emergence from Chapter 11.
42 Exception: If, as a result of a transaction during the Company’s Chapter 11
43 reorganization or plan of reorganization resulting in emergence from Chapter 11, the
44 acquiring entity is an air carrier or controls or is controlled by an air carrier, the
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1 Association will have the right in its sole discretion upon written notice to the Company,
2 within 60 days of receiving written notice of the change in control, to extend the duration
3 of the PWA for one, two or three years, at the Association’s option, past the amendable
4 date, with 3% annual wage increases on the amendable date and on the subsequent
5 anniversary date(s) of the amendable dates, if applicable.

- 6 3. **Section 1 G. 1.** will not apply to any entity that is an IRS qualified employee benefit plan
7 of the Company (or a parent), or a trustee or other fiduciary of such plan acting in its
8 capacity as such, provided that the plan is one in which (i) all pilots who meet the general
9 service requirements applicable to all participants are entitled to participate; (ii) stock of
10 the Company or Company affiliate allocated to accounts of participants is voted in
11 accordance with the instructions of the participants if any are given and (iii) the trustee
12 voting unallocated stock is a nationally recognized bank or financial institution. If stock
13 in the plan which is not required to be voted in accordance with directions of the
14 participants is tendered to an entity outside the plan, such stock will be deemed to be no
15 longer owned by the plan for purposes of **Section 1 G. 3.**

17 H. Opportunity to Make Competing Proposal

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19 In the event the Company receives a proposal for a transaction that would, if completed,
20 result in a successor or change in control, and the Company determines to pursue or facilitate
21 the proposal the Company and/or Company affiliate will in good faith seek to provide the
22 Association with the opportunity to make a competing proposal at such time and under such
23 circumstances as the Board of Directors of the Company and/or Company affiliate
24 reasonably determines to be consistent with their fiduciary duties.

26 I. General Furlough Protection

- 27
28 1. No pilot on the seniority list will be placed on furlough with less than 90 days advance
29 written notice.
30 2. No pilot on the seniority list will be placed on furlough if the staffing at the time of notice
31 or at time of furlough is less than the PBS Staffing Formula (**Section 22 C.**) for any
32 position.
33 3. No pilot will be placed on furlough as the result of the Company or a Company affiliate’s
34 acquisition of control of another air carrier or of another air carrier’s acquisition of
35 control of the Company or a Company affiliate, commencing on the date of
36 consummation of the agreement resulting in the acquisition of control and continuing for
37 24 months following the closing of such agreement between the Company or a Company
38 affiliate and the other air carrier.
39 4. The Company will be excused from compliance with the provisions of **Section 1 I. 1., 2.,**
40 **and 3.** in the event a circumstance over which the Company does not have control is the
41 cause of such noncompliance.
42 5. A carrier that operates 70- or 76-seat aircraft in category A or C may do so only if that
43 carrier and the Company have agreed that the carrier will make offers of employment to
44 furloughed pilots before any other candidate for hire (subject to a furloughed pilot’s
45 completing the hiring carrier’s standard new-hire airman paper work, meeting the hiring
46 carrier’s standard new-hire airman hiring standards and medical qualifications, satisfying

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1 the hiring carrier’s standard background checks, and successfully completing an
2 interview). Such offers will be made in pilot seniority order. A furloughed pilot hired by
3 a Delta Connection Carrier will not be required to resign their Delta seniority number in
4 order to be hired by such carrier. Preferential hiring rights at Delta Connection Carriers
5 for pilots furloughed by the Company provided herein will be in addition to any rights to
6 be hired or to flow down that such furloughed pilots may have pursuant to NWA LOA
7 2006-10 and LOA #9. The provisions of **Section 1 I. 5.** will apply to carriers that operate
8 70- or 76-seat aircraft for the Company as a result of a merger transaction no later than
9 one year after the closing date of that merger transaction.

- 10 6. If a pilot on the seniority list with an employment date prior to March 2, 2023 is placed
11 on furlough, the Company will convert all 76-seat aircraft for operation as 70-seat
12 aircraft. The number of such aircraft will continue to be limited by **Section 1 B. 40. d.** as
13 though they were being operated as 76-seat aircraft. The Company may again commence
14 operating such aircraft as 76-seat aircraft effective on the date that the most junior pilot
15 protected by the first sentence of this provision is recalled from furlough.

16 J. Fragmentation Transaction

17 As a condition of any fragmentation transaction, the Company will, at the request of the
18 Association, require the transferee of assets to:

- 19 1. employ a certain number of Delta pilots based on the number of crewmembers that will
20 be required by the transferee for the operation of the transferred assets (not counting
21 airmen employed by the transferee);
22 2. offer employment to the Delta pilots selected for the right to transfer according to
23 eligibility criteria determined by agreement between the Company and the Association
24 or, in the absence of such agreement, by a neutral arbitrator; an offer of employment
25 rejected by a pilot will in turn be offered to the next eligible pilot, if any, under the
26 criteria determined under **Section 1 J. 2.** but will not increase the number of eligible
27 pilots;
28 3. provide that the transferring pilots will be integrated with the transferee’s pilots pursuant
29 to Association Merger Policy if the transferee’s pilots are represented by the Association
30 or, if otherwise, pursuant to Sections 3 and 13 of the Allegheny-Mohawk Labor
31 Protective Provisions.
32
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34 K. Labor Dispute

35 During a labor dispute involving an air carrier (other than the Company):

- 36 1. the Company will not perform training of airmen for service as employees of the air carrier
37 (replacement airmen) in connection with a labor dispute,
38 2. a Company affiliate will not perform training of airmen for service as employees of the air
39 carrier (replacement airmen) other than itself, and
40 3. [The following provisions apply to any partner carrier that engages in Partner Global
41 Flying or international partner flying with the Company, and to the affiliates of such
42 partner carrier:](#)
43 [a. There will be no increased use of the DL code \(i.e., an increase over and above that
44 which was loaded in Delta’s reservation system in the 90-day period prior to the
45](#)
46

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1 commencement of the cooling off period) by a partner during a cooling off period
2 (under Section 5, 6, or 10 of the Railway Labor Act) applicable to Delta pilots. In the
3 event of a lawful primary strike against Delta by the Delta pilots, the DL code will
4 not be used by a partner at any time during such strike.

5 b. There will be no payments other than those payments occurring during the ordinary
6 course of business to Delta from a partner during a cooling off period (under Section
7 5, 6, or 10 of the Railway Labor Act) applicable to Delta pilots or a lawful strike by
8 Delta pilots.

9 c. No airman trained by a partner in the prior 12 months will be hired to serve as a Delta
10 pilot during a cooling off period (under Section 5, 6, or 10 of the Railway Labor Act)
11 applicable to Delta pilots or a lawful strike by Delta pilots.

12 d. There will be no increased use of the partner’s code (i.e., an increase over and above
13 that which was loaded in Delta’s reservation system in the 90-day period prior to the
14 commencement of the strike) by Delta during a lawful strike by the partner’s airmen.

15 e. Without the consent of the Delta MEC, there will be no increase of gauge on any
16 Delta route which carries the partner’s code (i.e., an increase over and above that
17 which was loaded in Delta’s reservation system in the 90-day period prior to the
18 commencement of the strike) during a lawful strike by the partner’s airmen.

19
20 L. Pilot Member of the Board of Directors and Information Sharing

21
22 1. The Delta Master Executive Council (the “Delta MEC”) of the Association will be
23 entitled to appoint a full voting member of the Company’s Board of Directors (the “Pilot
24 Member”) to attend and participate in all regular and special meetings of the Company’s
25 Board of Directors in accordance with **Section 1 L. 1.**

26 a. The Company agrees that at any annual or special meeting of stockholders of Delta at
27 which directors of Delta are to be elected, and at which the seat held by a Qualified
28 ALPA Member (as defined below) is subject to election, Delta will renominate the
29 Pilot Member, or nominate another Qualified ALPA Member (the “Pilot Nominee”)
30 designated by the Delta MEC to be elected to the Board of Directors of Delta (the
31 “Delta Board”), and will use its reasonable best efforts to cause such person to be
32 elected to such position (it being understood that efforts consistent with, and no less
33 extensive than, in all material respects, the efforts used by Delta to solicit proxies in
34 favor of the election of the rest of the director nominees of the Delta Board shall be
35 deemed reasonable best efforts). The Delta MEC will notify Delta of its proposed
36 Pilot Nominee to the Delta Board, in writing, no later than 60 days prior to the first
37 anniversary of the mailing of the proxy statement related to the previous year’s
38 annual meeting of stockholders, together with all information concerning such Pilot
39 Nominee reasonably requested by Delta. In the event of the death, disability,
40 disqualification, resignation, removal or failure to be elected of the Pilot Member or
41 Nominee, the Delta Board will promptly elect to the Delta Board a replacement
42 Qualified ALPA Member designated by the Delta MEC to fill the resulting vacancy,
43 which individual will then be deemed a Pilot Nominee for all purposes hereunder.
44 For purposes of **Section 1 L. 1.**, “Qualified ALPA Member” means an individual
45 who, at the time of nomination and at all times thereafter until such individual’s
46 service on the Delta Board ceases, (a) will be a Delta pilot, (b) will meet any

Section 1 – Scope

1 applicable requirements or qualifications under applicable law or stock exchange
2 rules to be a member of the Delta Board, (c) will not be a member or an officer of the
3 Delta MEC or an officer of the Association and (d) will, prior to being nominated,
4 agree to comply with the requirements of **Section 1 L. 1. b.** In accordance with
5 Delta’s corporate governance policy with respect to the compensation of directors
6 who are employees of Delta, the Pilot Member will not be compensated for their
7 service on the Delta Board. The Pilot Member will have the same powers, rights and
8 duties as the other members of the Delta Board, and Delta will indemnify the Pilot
9 Member to the same extent it provides indemnification to other members of the Delta
10 Board, including the provision of directors and officers liability insurance. Nothing
11 herein will be deemed to require that any party hereto, or any affiliate thereof, act or
12 be in violation of any applicable provision of law, legal duty or requirement or stock
13 exchange or stock market rule.

- 14 b. Each of the Association and the Delta MEC acknowledge that, under applicable law,
15 all members of the Delta Board are required to act in accordance with their fiduciary
16 duties to Delta and to its stockholders and accordingly acknowledge that (1) the Pilot
17 Member’s fiduciary responsibilities may require that they be excused from time to
18 time from portions of meetings of the Delta Board or committees thereof and be
19 recused from voting upon certain matters presented to the Delta Board for
20 consideration in accordance with the policies and practices of the Delta Board
21 applicable to all members of the Delta Board and (2) the Pilot Member will be bound
22 by the confidentiality obligations of the members of the Delta Board with respect to
23 all discussions, deliberations and decisions of the Delta Board and any committees
24 thereof in accordance with the policies of the Delta Board applicable to all members
25 of the Delta Board, provided that, the Pilot Member may from time to time, with the
26 knowledge of the Chairman of the Delta Board or Chief Executive Officer of Delta,
27 exercise their reasonable discretion to provide such information to the Delta MEC, its
28 officers, relevant committees, and advisors who have executed confidentiality
29 agreements approved by Delta for that purpose. Delta and the Delta MEC hereby
30 acknowledge that, at any time, for any reason, at the request of the Delta MEC, the
31 Pilot Member will resign from the Delta Board to be replaced by a replacement
32 Qualified ALPA Member designated by the Delta MEC, that the Pilot Member has
33 agreed with the Delta MEC to so resign, and that if, under such circumstances, the
34 Pilot Member fails promptly to so resign, the Delta Board may remove the Pilot
35 Member from their position on the Delta Board (to be replaced by a replacement
36 Qualified ALPA Member designated by the Delta MEC).
- 37 c. All obligations of Delta hereunder shall terminate, and the Delta MEC will cause the
38 Delta MEC’s Pilot Member to resign from the Delta Board and any committees
39 thereof immediately upon the date on which the Association (or any successor by
40 reorganization of the Association) ceases to be the authorized representative of the
41 Delta Pilot Group or the pilots of a successor to Delta for purposes of collective
42 bargaining. At any time that the Pilot Nominee does not satisfy the conditions set
43 forth in the “Qualified ALPA Member” definition, the Delta MEC will cause such
44 individual to resign from the Delta Board and any committees thereof.
- 45 d. Delta hereby agrees that if, at any time, a publicly-held parent company of Delta were
46 to be formed (the “Parent Company”), the rights of the Delta MEC hereunder to

Section 1 – Scope

1 appoint a Pilot Member to the Delta Board, and the corresponding obligations of
2 Delta hereunder, will apply, mutatis mutandis, to the right of the Delta MEC to
3 appoint a Pilot Director to the board of directors of the Parent Company, and the
4 corresponding obligations of the Parent Company, but without affecting the rights and
5 obligations of the Delta MEC with respect to appointment of the Pilot Director to the
6 Delta Board and the corresponding obligations of Delta hereunder.

- 7 e. **Section 1 L. 1.** became effective on April 14, 2008, and will remain in effect until and
8 unless changed by written agreement of the parties. **Section 1 L. 1.** will not be
9 subject to the grievance and/or System Board of Adjustment procedures of **Sections**
10 **18** and **19** and will be governed by the laws of the State of Delaware, and each of the
11 parties knowingly waives, relinquishes, and agrees that it will not assert any claim or
12 argument (whether in court or elsewhere) that the terms of **Section 1 L. 1.** may be
13 modified or in any way set aside (except by written agreement of the parties hereto)
14 during any period after the amendable date of the PWA or of any successor PWA,
15 including any period during which Delta and the Association have been released to
16 engage in lawful self-help pursuant to the Railway Labor Act, as amended.
- 17 2. The Company will provide the Association on a periodic basis and, in addition, at its
18 reasonable request, with detailed historical operating and financial information on the
19 Company and its Company affiliates and detailed projected operating and financial
20 information on the Company and its Company affiliates.
- 21 a. Access to, use and distribution of, information provided to the Association under
22 **Section 1 L. 2.** will be conditioned upon and governed by reasonable confidentiality
23 agreements deemed appropriate by the Company and Association.
- 24 b. Information provided to the Association under **Section 1 L. 2.**, will include all
25 information reasonably necessary to enable the Association to monitor Delta’s
26 compliance with the terms of **Section 1** (including copies of all codeshare and prorate
27 agreements between Delta and Delta Connection Carriers, and the number and type of
28 aircraft in Category A operations will be provided to the Association at the scheduled
29 quarterly financial update), as well as Delta’s compliance with the terms of the
30 Company’s Profit Sharing Plan and the Company’s Monthly Performance Incentive
31 Program. The Company will also provide all operational and financial information,
32 historical and projected, concerning all joint ventures, and copies of all codeshare
33 agreements and profit/loss sharing agreements. Information related to codeshare and
34 joint venture, and any other PWA scope protections limitations (i.e., **Section 1 D. 4. –**
35 **6., Section 1 E. 2., Section 1 E. 7. and 8., and Section 1 P. 4.)** will be provided within
36 30 days after the conclusion of the applicable measurement period, and in addition
37 upon request (but not more than quarterly).
- 38 c. Delta will also provide to the Association documentation of each flight segment that
39 has been published by the Company (in print or electronically as of the first day of the
40 current month) bearing both the DL code and one or more of AS or HA code for each
41 of the two months following the current month. Such documentation will be provided
42 to the Association, in electronic form, by the end of each such current month.
- 43 d. The detailed historical operating information referenced in **Section 1 L. 2.** will be
44 provided to the Association concurrent with the **Section 1 D. 4. – 6., Section 1 E. 2.,**
45 **Section 1 E. 7. and 8., and Section 1 O. 1. – 13. Section 1 P. 4.** (when applicable)
46 information, at the end of each month, for the prior month.

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1 e. In the fourth quarter of each year, the Company will provide the Association with its
2 detailed Network and Fleet Plans including aircraft in service, parked, and on order
3 (firm and options) along with an updated monthly delivery schedule and the projected
4 aircraft retirement schedule for the following calendar year. The Company will
5 provide the Association with any updates or modifications to the detailed Fleet Plan
6 on a quarterly basis.

- 7 3. The Company will not make any contribution to any employee grantor trust established
8 by a Delta employee in connection with the 2002 Delta Excess Benefit Plan or the 2002
9 Delta Supplemental Excess Benefit Plan or contribute to any employee grantor trust
10 established in the future in connection with such plans or any successor plans.

11 M. Remedies

12
13
14 The Company at the written request of the Association will arbitrate any grievance filed by
15 the Association alleging a violation of **Section 1** on an expedited basis directly before the
16 Five Member System Board of Adjustment. Such expedited arbitration hearing before such
17 Board will be completed no later than 60 days following the filing date of the grievance and
18 the grievance will be decided by the System Board no later than 90 days after the filing of
19 the grievance, unless the parties agree otherwise in writing.

20 N. [Reserved]

21 O. Permitted Arrangements with Partners Performing Global Flying~~[Reserved for Global Scope,~~ 22 ~~if LOA ratified]~~

23
24
25
26 1. Section 1 C. will not apply to Partner Global Flying, under the terms and conditions of
27 Section 1 O.

28
29 2. Global Flying will be measured:

30 a. using scheduled aircraft block hours as reported by a mutually-acceptable third-party
31 source (e.g., Official Airline Guide (OAG), Cirium).

32 Exception: For flights on supersonic aircraft, block hours will be determined by
33 using the historical average number of scheduled block hours of non-supersonic
34 aircraft operating the same flight segment in the same calendar month (i.e.,
35 supersonic-equivalent block hours). In the event that non-supersonic aircraft did not
36 operate the same flight segment in the same calendar month in the past, the parties
37 will jointly model the flight time using all publicly-available industry data in order to
38 determine the block hours of such flight segment.

39 Note one: The Association will be provided with full user-access to the mutually-
40 acceptable third-party source of data (e.g., Cirium) at Company expense.

41 Note two: In the event there is a discrepancy between the reported aircraft block
42 hours provided by Delta or the Global Partners and the aircraft block hours from the
43 mutually-acceptable third-party source, the parties will meet to ensure the accuracy of
44 the aircraft block hours being measured. If the parties are unable to reconcile the
45 discrepancy over the aircraft block hours measured, the issue may be submitted for
46 expedited determination under Section 1 M.

Section 1 – Scope

- 1 b. quarterly, on a rolling basis, for each eight quarter measurement period beginning
2 with the period from January 1, 2024 to December 31, 2025.
3 Exception: Prior to the eight quarter measurement period ending December 31, 2025,
4 the measurement period will be:
5 1) four quarters for the period ending December 31, 2024 (first measurement
6 period);
7 2) five quarters for the period ending March 31, 2025 (second measurement period);
8 3) six quarters for the period ending June 30, 2025 (third measurement period); and
9 4) seven quarters for the period ending September 30, 2025 (fourth measurement
10 period).

11 3. Global Flying Ratio

- 12 a. A global flying ratio will be derived by calculating the ratio of Delta Global Flying to
13 Partner Global Flying during the four quarters ending December 31, 2019.
14 b. The ratios of Delta Global Flying to Partner Global Flying, will meet or exceed the
15 global flying ratio in *Section 1 O. 3. a.* for the four quarter measurement periods:
16 1) January 1, 2023 to December 31, 2023,
17 2) April 1, 2023 to March 31, 2024,
18 3) July 1, 2023 to June 30, 2024, and
19 4) October 1, 2023 to September 30, 2024.

20 4. Delta and Global Partner Baselines

- 21 a. Delta Global Flying baseline shall be comprised of
22 1) the required aircraft block hours during the four quarter period from January 1,
23 2023 through December 31, 2023 in the ratio established under *Section 1 O. 3. a.*,
24 plus
25 2) the scheduled aircraft block hours of such flying during the four quarter period
26 from January 1, 2024 through December 31, 2024.
27 Note: Delta Global Flying baseline will include any remediated aircraft block
28 hours for the four quarters in 2024.

29 Exception: Before January 1, 2026, and prior to application of the full eight quarter
30 measurement period, block hour baselines will be established as follows:

- 31 a) For the four quarters ending December 31, 2023, the baseline is the required
32 block hours in the ratio established under *Section 1 O. 3. a.* (first baseline
33 period);
34 b) For the five quarters ending March 31, 2024, the baseline shall be comprised of
35 the block hours in Exception a) plus the scheduled aircraft block hours of such
36 flying during the first quarter of 2024, including any remediated aircraft block
37 hours (second baseline period);
38 c) For the six quarters ending June 30, 2024. the baseline shall be comprised of the
39 block hours in Exception b) plus the scheduled aircraft block hours of such flying
40 during the second quarter of 2024, including any remediated aircraft block hours
41 (third baseline period); and
42 d) For the seven quarters ending September 30, 2024, the baseline shall be
43 comprised of the block hours in Exception c) plus the scheduled aircraft block
44 hours.

Section 1 – Scope

1 hours of such flying during the third quarter of 2024, including any remediated
2 aircraft block hours (fourth baseline period).

3
4 b. Partner Global Flying baseline shall be comprised of the scheduled aircraft block
5 hours of such flying during the eight quarter period from January 1, 2023 through
6 December 31, 2024.

7 Exception: Prior to January 1, 2026, block hour baselines will be established as
8 follows:

9 1) four quarters for the period ending December 31, 2023 (first baseline period);

10 2) five quarters for the period ending March 31, 2024 (second baseline period);

11 3) six quarters for the period ending June 30, 2024 (third baseline period); and

12 4) seven quarters for the period ending September 30, 2024 (fourth baseline period).

13
14 c. Thereafter, the block hour baselines will remain fixed unless adjusted in accordance
15 with *Section 1 O. 5.* and *6.*

16
17 Example:

18 1) During the four quarters of 2019, Delta Global Flying totaled 4,800 block hours.

19 2) During the four quarters of 2019, Partner Global Flying totaled 5,200 block hours.

20 3) This establishes a Global Flying Ratio of 48% for Delta and 52% for the Global
21 Partners

22 4) During the four quarters of 2023, Partner Global Flying totaled 4,680 block hours,
23 which is the initial Partner Global Flying baseline.

24 5) Per the ratio established in Step 3 of this example, Delta Global Flying, in the four
25 quarters of 2023, must be no less than 48% of all Global Flying. As a result, Delta
26 Global Flying must total no fewer than 4,320 block hours, which is the initial Delta
27 Global Flying baseline (48% is equal to 4,320 block hours of Delta Global Flying).

28
29 Illustration of *Section 1 O. 4. b.*:

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Transition from Ratio/BH Measurement to Four Quarter Measurement Period to Eight Quarter Measurement Period

	2023				2024				2025				2026				2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
				% vs. '19													
1st Global Flying Ratio & BH Measurement																	
				% vs. '19													
2nd Global Flying Ratio & BH Measurement																	
				% vs. '19													
3rd Global Flying Ratio & BH Measurement																	
				% vs. '19													
4th Global Flying Ratio & BH Measurement																	
1st 1:1 Measurement					4 Quarters												
2nd 1:1 Measurement					5 Quarters												
3rd 1:1 Measurement					6 Quarters												
4th 1:1 Measurement					7 Quarters												
5th 1:1 Measurement					1st 8 Quarter												
6th 1:1 Measurement					8 Quarter												
7th 1:1 Measurement					8 Quarter												
8th 1:1 Measurement					8 Quarter												
9th 1:1 Measurement					8 Quarter												
10th 1:1 Measurement					8 Quarter												
Measurement period																	
Baseline period																	

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5. The established Partner Global Flying baseline will be adjusted as set forth below to assure that the growth requirements under Section 1 O. 7. will not be compromised by the entry or exit of a Global Partner.

a. When a new Global Partner enters into a profit/loss sharing arrangement with Delta (which occurs on the date that such profit/loss sharing agreement is implemented), Partner Global Flying that would have been subject to the profit/loss sharing arrangement, performed by the new Global Partner during the 24-month period ending 12 months prior to the end of the month in which the public announcement was made that the new Global Partner will enter into a profit/loss sharing arrangement with Delta, will be added to the Global Partners’ block hour baseline provided such new Global Partner was performing flying under Delta’s designator code during that time period. If the new Global Partner was not performing flying under Delta’s code prior to entering the profit/loss sharing agreement, flying performed by the new Global Partner during the 24-month period prior to the end of the month in which the public announcement was made that the new Global Partner will enter into a profit/loss sharing agreement will be added to the Global Partners’ block hour baseline. Partner Global Flying performed by the new Global Partner

1 during the eight-quarter measurement period ending with the quarter during which the
2 new Global Partner enters into the profit/loss sharing arrangement, and each
3 measurement period thereafter, will be included in Partner Global Flying for the
4 purposes of calculating the Company’s growth requirement.

5 Exception: In the event a new Global Partner enters into a profit/loss sharing
6 arrangement that Delta is party to prior to January 1, 2026, the duration of the
7 measurement period will be prorated consistent with *Section 1 O. 4. b.* The block
8 hours added to the baseline will be derived from the prorated measurement period.

9 Note: When a Global Partner merges with or acquires another carrier, it will be
10 treated the same as the entry of a new partner under *Section 1 O. 5. a.*

11 Example:

- 12 1) On June 6, 2027, it is announced Airline XYZ will enter into a profit/loss
13 sharing arrangement with Delta at a future date.
- 14 2) In the 24 months ending on June 30, 2026 (12 months prior to announcement),
15 Airline XYZ performed 500 block hours that would have qualified as Partner
16 Global Flying. Those 500 block hours will be added to the Global Partner
17 block hour baseline upon implementation of the profit/loss sharing
18 arrangement.
- 19 3) On February 14, 2029, Delta implements the profit/loss sharing arrangement
20 with Airline XYZ.
- 21 4) In the eight-quarter measurement period ending March 31, 2029, Airline XYZ
22 performed 520 block hours of Partner Global Flying.
- 23 5) For purposes of determining compliance with the growth requirement under
24 *Section 1 O. 7.*, 520 block hours will be added to the Partner Global Flying for
25 the current measurement period ending March 31, 2029.
- 26 6) For each subsequent measurement period the new partner’s Global Flying will
27 be included for purposes of calculating the growth requirements under *Section*
28 *1 O. 7.*

- 29
- 30
- 31 b. When Delta acquires a 20% or greater ownership stake in a new Global Partner,
32 Partner Global Flying performed by the new Global Partner during the 24 months
33 prior to the end of the month in which Delta acquires such 20% or greater stake, will
34 be added to the Global Partner block hour baseline.

35 Exception: If such 20% or greater stake is acquired prior to January 1, 2026, the
36 duration of the measurement period will be prorated consistent with *Section 1 O. 4. b.*
37 The block hours added to the baseline will be derived from the applicable prorated
38 measurement period.

- 39 c. When a new or existing Global Partner qualifies under both *Section 1 O. 5. a.* and *O.*
40 *5. b.*, the adjustment to the established block hour baseline will reflect all qualifying
41 flying generated by either transaction, but any added flying will not be double
42 counted.

43 Note: In the event that Partner Global Flying qualifies under both *Section 1 O. 5. a.*
44 and *b.*, any flying which overlaps will be accounted for in the earlier applicable
45 baseline period.

Section 1 – Scope

1 d. When an airline ceases to perform Partner Global Flying, as defined in *Section 1 B.*
2 *39.* (exit of a Partner), Partner Global Flying by such airline during the full five-, six-,
3 *seven-, or eight-quarter period (as applicable) prior to the former partner’s exit will be*
4 *subtracted from the established Global Partner baseline.*

5 Example:

Step 1 January 1, 2023 to December 31, 2024 8 Quarter Block Hour Baseline Delta: 100,000 Global Partners: 110,000 OA #1 40,000 OA #2 40,000 OA #3 30,000	Step 3 OA #3 no longer a Global Partner as of 1 April 2028 Adjusted Block Hour Baseline Delta: 100,000 Global Partners: 70,000 Global Partner Adjusted Baseline: 110,000 block hours (initial 8 quarter Baseline in Step 1) - 40,000 block hours (OA #3's contribution for the 8 full quarters prior to their exit) = 70,000 block
Step 2 April 1, 2026 to March 31, 2028 8 Quarter Measurement Period Delta: 135,000 Global Partners: 145,000 OA #1 55,000 OA #2 50,000 OA #3 40,000 Delta and the Global Partners both grew by 35,000 block hours above the baseline in Step 1. Delta is at the minimum level of compliance by matching the 35,000 block hours of Global Partner growth.	Step 4 Next 8 Quarter Measurement Period July 1, 2026 to June 30, 2028 Delta: 140,000 Global Partners: 110,000 OA #1 55,000 OA #2 55,000 Delta is at the minimum level of compliance by matching the 40,000 block hours of Global Partner growth, which includes OA #3's 10,000 block hours of growth before they exited. Despite OA #3's exit as a Global Partner and subsequent reduction to the Global Partner Baseline, Delta's 1:1 block hour compliance minimum is not reduced due to the exit of a Global Partner

7
8
9 6. The established Global Partner baseline will be adjusted if a profit/loss sharing
10 arrangement with Delta is modified, as follows:

11 a. If an existing profit/loss sharing arrangement is modified to reduce its geographic
12 scope, the Global Partner baseline will be adjusted by subtracting the impacted flying,
13 consistent with the methodology applied to the exit of a partner under *Section 1 O. 5.*

14 *d.*

15 Note: For a period of five years following the effective date of such modification,
16 Delta will not place its designator code or sell seats on any Global Partner flights that
17 would have been covered by the geographic scope of the profit/loss sharing
18 agreement prior to modification. Delta is not prohibited from codesharing or selling
19 seats on flights connecting through the United States. This Note does not prevent
20 Delta from utilizing industry standard interline agreements to accommodate
21 passengers affected by unforeseen flight or service disruptions.

22
23 Example: The Blue Skies/Trans-Atlantic Joint Venture is amended to remove Mexico
24 from the geographic scope of the JV. Delta cannot place its designator code or sell
25 any seats on flights by any Global Partner to/from Mexico and Europe, or to/from
26 Mexico and French Polynesia, for five years from the effective date of such removal.

27
28 b. If an existing profit/loss sharing arrangement is modified to expand its geographic
29 scope, the Global Partner baseline will be adjusted by adding any impacted flying,
30 consistent with the methodology relating to the entry of a partner under *Section 1 O.*
31 *5. a.*
32

Section 1 – Scope

1 7. Effective with the measurement period beginning January 1, 2024 and ending December
2 31, 2024, and for each successive measurement period thereafter, Delta Global Flying in
3 excess of the Delta Global baseline will be equal to, or greater than, all Partner Global
4 Flying in excess of the Global Partner baseline (as may be adjusted under *Sections 1 O.*
5 *5. and 6.*), on an aircraft block hour-for-block hour (1:1) basis.

6 Note: During any measurement period in which the total Partner Global Flying is less
7 than the Global Partner baseline, the Delta Global Flying during the same measurement
8 period, may decrease below the Delta Global baseline, on an aircraft block hour-for-block
9 hour basis, by an amount equal to but not greater than, the net decrease of all Partner
10 Global Flying.

11
12 8. Effective with the first eight-quarter measurement period ending December 31, 2025, and
13 for each successive measurement period thereafter, the number of twin-aisle widebody or
14 supersonic-equivalent aircraft block hours Delta operates in each theater will be no less
15 than:

16 a. Atlantic Theater: 667,558

17 b. Pacific Theater: 326,618

18 c. Americas Theater: 76,223

19 Note: Block hours from an individual flight segment will only count towards one theater.

20
21 9. Remediating Non-Compliance Arising from a Shortfall in Delta Global Flying

22 For each measurement period in which Delta Global Flying is less than the minimum
23 required under *Section 1 O. 7.* and/or *Section 1 O. 8.*, the difference between Delta
24 Global Flying during the applicable measurement period and the required Delta Global
25 Flying, or shortfall, for the same measurement period, will be remedied with additional
26 twin-aisle widebody pilot staffing. Before converting the shortfall into pilot staffing, the
27 Company will be first credited with aircraft block hours remedying a prior shortfall as
28 follows:

29 a. Remediated aircraft block hours will be applied to a shortfall in Delta’s Global Flying
30 for the duration of the remediation period, and any overlapping measurement periods,
31 subject to the following:

32 1) Remediated aircraft block hours curing a shortfall under *Section 1 O. 8.* will be
33 applied as an aircraft block hour credit towards a shortfall under *Section 1 O. 7.*
34 provided; however,

35 a) such credit may not exceed any shortfall in *Section 1 O. 7.*, and

36 b) no credit from remediated aircraft block hours under this provision will be
37 applied if there is no shortfall under *Section 1 O. 7.*

38 2) Remediated aircraft block hours curing a shortfall in Delta Global Flying under *1*
39 *O. 7.* will not be applied as an aircraft block hour credit towards a shortfall in any
40 theater of flying under *Section 1 O. 8.*

41 3) Remediated aircraft block hours curing a shortfall in one theater of flying under
42 *Section 1 O. 8.* will not be applied as an aircraft block hour credit towards a
43 shortfall in any other theater of flying.

44 b. Any shortfall in Global Flying that remains after applying remediated aircraft block
45 hours will be converted from aircraft block hours to pilot block hours by:

Section 1 – Scope

- 1) dividing the aircraft block hour deficit by the number of months in the measurement period to arrive at a monthly average shortfall; then
 - 2) dividing by 53 hours to arrive at a monthly number of additional twin-aisle widebody crews to remediate the shortfall (rounded up to the nearest whole number of pilots).
 - 3) multiplying by four pilots per crew (two captains and two first officers); and then
 - 4) The resulting total is the *remediated staffing headcount*.
- c. Of the monthly number of additional twin-aisle widebody pilots (remediated staffing headcount) required by *Section 1 O. 9. b.*:
- 1) at least 50% will be captains; and
 - 2) at least 50% of the captains and at least 50% of the first officers will be
 - a) A350 pilots, or
 - b) any twin-aisle widebody aircraft position with an hourly composite pay rate under *Section 3 B. 2.* no less than the hourly pay rate of the A350;
 - and
 - 3) any remaining remediated pilots may be A330 pilots.
- d. Surplus staffing will be calculated by averaging the actual pilot staffing headcount exceeding the headcount required by the PBS staffing formula under *Section 22 C.* for the 350A, 350B, 330A, and 330B categories (and other twin-aisle widebody aircraft as applicable under *Section 1 O. 9. c. 2) b).*
- 1) The average surplus will be expressed as a percentage above the required PBS staffing formula headcount for each respective position and determined for:
 - a) the peak bid periods of June, July and August that fell within the violation period.
 - b) the non-peak bid periods (i.e., consisting of all other bid periods exclusive of June, July, and August) that fell within the violation period.
 - 2) The surplus staffing headcount will be derived from the average surplus for each position from the appropriate (peak or non-peak) bid periods within the violation period.
- e. During the remediation period, the adjusted minimum-required staffing in each bid period is the sum of:
- 1) the headcount required for that bid period (as determined by the PBS staffing formula under *Section 22 C.*) for the 350 A and B and 330 A and B positions (and other twin-aisle widebody aircraft as applicable under *Section 1 O. 9. c. 2) b).*);
 - and
 - 2) the surplus staffing headcount (as determined under *Section 1 O. 9. d. 2).*);
 - and
 - 3) the remediated staffing headcount (as determined under *Section 1 O. 9. b. and c.*).
- f. The actual pilot headcount for the 350 A and B and 330 A and B positions (and other twin-aisle widebody aircraft as applicable under *Section 1 O. 9. c. 2) b).*) must remain at or above the adjusted minimum-required staffing for each bid period within the remediation period. This adjusted minimum-required staffing will replace the value calculated under *Section 22 C.*
- g. A pilot must be converted and in their respective position consistent with *Section 1 O. 9. c.* to count as remediated staffing.

Section 1 – Scope

h. The remediation period will not start until the adjusted minimum-required headcount is reached and all remediated pilots have been converted. The adjusted minimum-required headcount will be maintained for each bid period for the entire duration of the remediation period. Once the remediation period has started, failure to maintain the adjusted minimum-required headcount will result in the reset of the remediation period.

Note: The remediation period must begin, and all remediated pilots converted, no later than six completed bid periods after the conclusion of the applicable violation period.

i. Section 1 O. 9. is the exclusive remedy for a shortfall in Section 1 O. 7. and/or Section 1 O. 8.

Block hour shortfall example:

Quarter		1	2	3	4	5	6	7	8	9	10	11
MP #1 Block Hour Shortfall =	20000											
Accrued Remediation	0	0	0	0	0	0	0	0	0	0	0	0
MP #1 Remediation		2500	2500	2500	2500	2500	2500	2500	2500			
Pilots Required	63											
MP #2 Block Hour Shortfall =	22000											
Accrued Remediation	17500		2500	2500	2500	2500	2500	2500	2500			
Remaining Remediation Rqd	4500		563	563	563	563	563	563	563	563		
Pilots Required	15											
MP #2 Total Remediation			3063	3063	3063	3063	3063	3063	3063	563		
MP #3 Block Hour Shortfall =	18,000											
Accrued Remediation	18938			3063	3063	3063	3063	3063	3063	563		
Remaining Remediation Rqd	938			0	0	0	0	0	0	0	0	0
Pilots Required	0											
MP #3 Total Remediation				3063	3063	3063	3063	3063	3063	563	0	
MP #4 Block Hour Shortfall =	20000											
Accrued Remediation	15875				3063	3063	3063	3063	3063	563	0	
Remaining Remediation Rqd	4125				516	516	516	516	516	516	516	516
Pilots Required	13											
MP #4 Total Remediation					3578	3578	3578	3578	3578	1078	516	516

Additional remediated headcount required from above example:

Quarter	11	12	13	14	15	16	17	18	19	20	21
MP1	63	63	63	63	63	63	63	63			
MP2		15	15	15	15	15	15	15	15		
MP3			0	0	0	0	0	0	0	0	
MP4				13	13	13	13	13	13	13	13
Total	63	78	78	91	91	91	91	91	28	13	13

Note: For both examples above, the remediated headcount applies to each bid period within the respective quarter

10. Section 1 E. 2. a. and b. do not apply to Partner Global Flying under Section 1 B. 39. a) and b).

Note: The Company will continue to provide to the Association all reporting data related to enforcement of those provisions as if they remained applicable.

1 11. Section 1 E. 2. e. does not apply while Section 1 O. is in effect.

2
3 12. Section 1 E. 8. does not apply to Partner Global Flying under Section 1 O.

4
5 13. If the Company claims that a circumstance over which the Company does not have
6 control is the cause of the Company’s non-compliance with Section 1 O. 3. b., O. 7.,
7 and/or O. 8.:

8 a. it will provide written notice to ALPA identifying all affected Global Flying, by
9 individual city pair(s) with corresponding aircraft block hours, and

10 b. corresponding aircraft block hours between such affected city pair(s) for the previous
11 applicable measurement period will be subtracted from the Delta Global Flying
12 baseline in effect under Section 1 O. 4., 5., and 6., and excluded from Delta Global
13 Flying for each measurement period, until the circumstance over which the Company
14 does not have control is no longer the cause of non-compliance.

15 Note one: If the circumstance over which the Company does not have control does not
16 affect all flights in a city pair, only the block hours from the flights affected by the
17 circumstance will be excluded from Delta Global Flying and subtracted from the Delta
18 Global Flying baseline.

19 Note two: If Partner Global Flying to the same city pair is also impacted by such
20 circumstance, the Global Partner Baseline will be adjusted to exclude the affected Partner
21 Global Flying to that city pair until the circumstance is no longer the cause of non-
22 compliance.

23
24 Example:

25 1) On October 16, 2030, the Company declares it will not be in compliance with
26 Section 1 O. due to a circumstance over which it does not have control.

27 2) The above circumstance affects Delta Company operations on flying between
28 ABC-XYZ.

29 3) In the eight-quarters ending September 30, 2030, the affected Delta Global
30 Flying between ABC-XYZ is 200 block hours.

31 4) The Delta Global Flying baseline is 5,000 block hours.

32 5) Total Delta Global Flying baseline is subsequently modified to 4,800 block hours
33 (5,000 minus the 200 block hours determined in step 3 above) until the
34 circumstance is no longer causing non-compliance under Section 1 O.

35 6) For the measurement period ending December 31, 2030, Delta Global Flying will
36 exclude the affected flying between ABC-XYZ, and the growth requirements
37 under Section 1 O. 7. will be applied to the adjusted baseline.

38
39 P. Delta / Air France / KLM / Alitalia Joint Venture

40
41 1. Delta, Air France, KLM, and Alitalia are partners in a series of agreements establishing a
42 long-term alliance between them, linking their route networks, and enabling them to market
43 globally integrated air transportation services. The U.S. Department of Transportation has
44 granted certain of these agreements immunity from the U.S. antitrust laws, subject to certain
45 conditions, to facilitate the integration of the DL, AF, KL, and AZ route networks.

46 2. Full implementation of the AF/KL/AZ JV commenced on April 1, 2010.

Section 1 – Scope

1 3. Each party's economic share of the AF/KL/AZ JV will be determined in accordance with the
2 formula delineated in the AF/KL/AZ JV agreement.

3 4. Effective with the one-year measurement period beginning January 1, 2016, and continuing
4 for each 12-month measurement period thereafter, the baseline EASK share for Bundle 1 is
5 47.5% for DL and 52.5% for AF/KL/AZ. For each successive two measurement periods
6 combined (a "two calendar year period"; such two calendar year period would be January 1,
7 2016 to December 31, 2017 and January 1, 2018 to December 31, 2019, etc.), the Company's
8 Bundle 1 EASKs flown in accordance with the provisions of the AF/KL/AZ JV agreement in the
9 first year of a two calendar year period and in the second year of the same two calendar year
10 period will on average be no less than 46.5% of the Bundle 1 EASKs flown in accordance with
11 the provisions of the AF/KL/AZ JV agreement.

12
13 **Example one:**

14 If the Company, in the first measurement period of a two calendar year period, maintains 45.5%
15 of the Bundle 1 EASKs flown in accordance with the provisions of the AF/KL/AZ JV
16 agreement, then in the second measurement period in the same two calendar year period, the
17 Company will maintain no less than 47.5% of the Bundle 1 EASKs flown in accordance with the
18 provisions of the AF/KL/AZ JV agreement.

19
20 **Example two:**

21 If the Company, in the first measurement period of a two calendar year period, maintains 47.5%
22 of the Bundle 1 EASKs flown in accordance with the provisions of the AF/KL/AZ JV
23 agreement, then in the second measurement period in the same two calendar year period, the
24 Company will maintain no less than 45.5% of the Bundle 1 EASKs flown in accordance with the
25 provisions of the AF/KL/AZ JV agreement.

26
27 **Note one:** The Company's baseline EASK share and the Company's minimum EASK share in
28 **Section 1 P. 4.** will be adjusted accordingly in the event the parties to the AF/KL/AZ JV
29 agreement reset or adjust the baseline EASK allocation as a result of:

30 a. capacity adjusted as a result of the inclusion of a third party carrier or new competing
31 operations (using the methodology in the AF/KL/AZ JV agreement);

32 b. capacity added by a party to the AF/KL/AZ JV agreement in response to competing
33 operations that are not included in the AF/KL/AZ JV agreement (using the methodology in the
34 AF/KL/AZ JV agreement), or

35 c. a change in the scope of flying included in Bundle 1. Any adjustment to the Company's
36 baseline EASK share as a result of a change in the scope of flying included in Bundle 1 will:

37 1) be from the baseline EASK share, and

38 2) reflect the parties' respective shares of EASKs attributable to the change in the scope of the
39 flying included in Bundle 1, using the Company's proportionate level of flying to the
40 country(ies) included/excluded from Bundle 1. The adjustment will be no greater than the larger
41 of:

42 a) the actual change in EASK capacity in the 12-month period ending March 31, 2009, or

43 b) the actual change in EASK capacity in the 12-month period preceding the change in the
44 scope of Bundle 1 flying.

Section 1 – Scope

1 Note two: The parties will meet and confer regarding how the Company’s baseline EASK share
2 and minimum EASK share will be adjusted for purposes of *Section 1 P. 4. Note one* if and when
3 a partner carrier is removed from the JV.

4 5. Notwithstanding the provisions of *Section 1 P. 4.*, in each calendar year, the Company will
5 either:

6 a. maintain at least 48.5% of the Bundle 1 EASKs flown in accordance with the provisions of
7 the AF/KL/AZ JV agreement, or

8 b. schedule no fewer than 650,000 aircraft block hours of international operations on widebody
9 aircraft (excluding B-767-300 (non-ER) aircraft) and on B-757 aircraft on ocean crossings across
10 the Atlantic Ocean.

11 6. If AF, KL, or AZ establish, acquire control of or implement any contract or agreement for the
12 establishment of competing operations and, within twelve months of the acquisition, either no
13 agreement is reached on terms to include such competing operations within the AF/KL/AZ JV
14 agreement or AF, KL, or AZ has not definitively discontinued, divested or otherwise definitively
15 ceased to operate such competing operations, then the competing operations’ capacity will not be
16 increased above its capacity on the date of the acquisition consistent with the terms of the
17 AF/KL/AZ JV agreement. The terms “competing operations” and “acquisition” will have the
18 same meaning as in the AF/KL/AZ JV Agreement.

19 7. Labor Disputes

20 a. There will be no increased use of the DL code (i.e., an increase over and above that which
21 was loaded in Deltamatic in the 90-day period prior to the commencement of the cooling off
22 period) by AF, KLM, or AZ during a cooling off period (under Section 5, 6, or 10 of the Railway
23 Labor Act) applicable to Delta pilots. In the event of a lawful primary strike against Delta by the
24 Delta pilots, the DL code will not be used by AF, KLM, or AZ at any time during such strike.

25 b. There will be no payments other than those payments occurring during the ordinary course of
26 business to Delta from AF, KLM, or AZ during a cooling off period (under Section 5, 6, or 10 of
27 the Railway Labor Act) applicable to Delta pilots or a lawful strike by Delta pilots.

28 c. No airman trained by AF, KLM, or AZ in the prior 12 months will be hired to serve as a
29 Delta pilot during a cooling off period (under Section 5, 6, or 10 of the Railway Labor Act)
30 applicable to Delta pilots or a lawful strike by Delta pilots.

31 d. There will be no increased use of the AF, KLM, and/or AZ code (i.e., an increase over and
32 above that which was loaded in Deltamatic in the 90-day period prior to the commencement of
33 the strike) by Delta during a lawful strike by the AF, KLM, and/or AZ airmen.

34 e. Without the consent of the Delta MEC Chairman, there will be no increase of gauge on any
35 Delta route which carries the AF, KLM, and/or AZ code (i.e., an increase over and above that
36 which was loaded in Deltamatic in the 90-day period prior to the commencement of the strike)
37 during a lawful strike by the AF, KLM, and/or AZ airmen.

38 8. Definitions for the terms EASK, acquisition, and competing operations contained in the
39 AF/KL/AZ JV agreement that are incorporated by reference into the PWA will not be amended
40 without the consent of the Delta MEC. The baseline EASK share, the Bundle 1 definition, and
41 the competing operations capacity limit may not be changed except as provided in *Section 1 P.*
42 *4.* and *Section 1 P. 6.*, respectively.

43
44 Q. Permitted Arrangements Pursuant to the Hawaiian Marketing Agreement
45

Section 1 – Scope

- 1 1. **Section 1 C.** will not apply to flying performed by Hawaiian under the DL code under
2 **Section 1 Q.**, provided that the DL code may only be placed on Hawaiian flight
3 segments:
 - 4 a. for the sole purpose of passenger service, and
 - 5 b. pursuant to the Hawaiian marketing agreement, and
 - 6 c. within the state of Hawaii, and
 - 7 d. under a prorate agreement, and
 - 8 e. consistent with the terms of **Section 1 Q.**
- 9 2. Delta will not purchase or reserve seats on HA on a block space basis (i.e., on the basis of
10 the purchase or reservation by Delta of a block of seats on aircraft operated by HA, at a
11 contractually agreed price, that are then available for resale by Delta to its customers).
- 12 3. The Association will have the right to terminate **Section 1 Q.** upon 60 days written notice
13 to the Company, if Hawaiian, without the prior written approval of the Association,
14 acquires control of Delta, either directly or through another individual, entity or trust, or
15 as part of a group.
- 16 4. There will be no direct or indirect transfer to Hawaiian of any aircraft owned, leased,
17 operated or on order or option by or on behalf of Delta or an Company affiliate, other
18 than in the normal course of business (e.g., lease returns or sale of aircraft, orders or
19 options on arm’s length market terms).
- 20 5. Delta will maintain a separate operating and corporate identity from Hawaiian, including,
21 but not limited to, name, trade name, logo, livery, trademarks or service marks, but
22 permitting (in addition to the separate name, trade name, logo, livery, trademarks or
23 service marks) the use of designator codes, frequent flyer program information, and other
24 name, trademarks, trade name, logo, livery or service marks that reflect the alliance
25 relationship. The foregoing will not preclude Delta from acquiring and integrating
26 Hawaiian in accordance with **Section 1 D. 8.**, but will apply until the closing date of any
27 corporate transaction pursuant to which Delta or any Company affiliate acquires control
28 of Hawaiian.
- 29 6. To the extent that any of the terms of **Section 1 Q.** are inconsistent with any of the terms
30 of the Hawaiian marketing agreement, the terms of **Section 1 Q.** will take precedence and
31 will remain in full force and effect. Delta will not be excused from compliance with any
32 of the terms of **Section 1 Q.** based on its obligations under the Hawaiian marketing
33 agreement.
- 34 7. Amendments to the Hawaiian marketing agreement
 - 35 a. No amendment to the Hawaiian marketing agreement (other than a termination) that
36 constitutes a material change will be made without the written consent of the Delta
37 MEC Chairman.
 - 38 b. A copy of each amendment to the Hawaiian marketing agreement will be promptly
39 delivered to the office of the Delta MEC Chairman. A copy of each such amendment
40 that affects a codeshare or prorate term or condition will be delivered to the office of
41 the Delta MEC Chairman, for their review and comment, at least 30 days prior to
42 implementation.
 - 43 1) If the Delta MEC Chairman believes that the amendment is a material change,
44 they may dispute such amendment by submitting a grievance to the Company for
45 expedited determination under **Section 1 M.** To be valid, such grievance must be
46 so submitted within 30 days of the date of delivery of the amendment to the office

Section 1 – Scope

- 1 of the Delta MEC Chairman.
- 2 2) If the System Board of Adjustment determines that the amendment is a material
3 change, then at the written request of the Delta MEC Chairman, Delta will cancel
4 or void the disputed amendment to the Hawaiian marketing agreement and will
5 take all other action necessary to restore the status quo that existed prior to such
6 amendment within 30 days of receipt of such written request by the Company. In
7 addition, the System Board may award such other and further relief as appropriate
8 to provide a make-whole remedy to pilots harmed by such material change.
- 9 3) If Delta does not comply with such request within such 30 day period, the Delta
10 MEC Chairman will have the right to terminate **Section 1 Q.** upon 60 days
11 advance written notice to the Company.
- 12 8. Termination
- 13 a. In the event that the Hawaiian marketing agreement is terminated in whole, for any
14 reason, Delta and the Delta MEC Chairman, each, will have the right to declare
15 **Section 1 Q.** null and void upon 30 days advance written notice to the other.
- 16 b. If Delta or Hawaiian serves a notice of termination of its participation in the Alaska
17 marketing agreement, and such notice of termination of participation is accepted by
18 the other party, the Delta MEC Chairman will have the right to terminate **Section 1 Q.**
19 upon 60 days advance written notice to the Company, with such termination to be
20 effective upon the date of termination of such party's participation in the Hawaiian
21 marketing agreement.
- 22 9. Rulings of Government Authority
- 23 If, as a result of any action or rulings of any governmental authority, or in response
24 thereto, any amendment that is a material change is required to be made to the Hawaiian
25 marketing agreement, and is made without the written consent of the Delta MEC
26 Chairman, then the Delta MEC will have the right to terminate **Section 1 Q.** upon 60 days
27 advance written notice to the Company.
- 28 10. Labor Disputes
- 29 a. There will be no increased use of the DL code (i.e., an increase over and above that
30 which was loaded in Deltamatic in the 90 day period prior to the commencement of
31 the cooling off period) by Hawaiian during a cooling off period (under Sections 5, 6,
32 or 10 of the Railway Labor Act) applicable to Delta pilots. In the event of a lawful
33 primary strike against Delta by the Delta pilots, the DL code will not be used by
34 Hawaiian at any time during such strike.
- 35 b. There will be no payments other than those payments occurring during the ordinary
36 course of business to Delta from Hawaiian during a cooling off period (under
37 Sections 5, 6, or 10 of the Railway Labor Act) applicable to Delta pilots or a lawful
38 strike by Delta pilots.
- 39 c. No airman trained by Hawaiian in the prior 12 months will be hired to serve as a
40 Delta pilot during a cooling off period (under Sections 5, 6, or 10 of the Railway
41 Labor Act) applicable to Delta pilots or a lawful strike by Delta pilots.
- 42 Note: For ease of reading in **Section 1 Q. 10.**, the defined term "pilot" is modified by
43 the word "Delta." Such modification does not change the meaning of the defined term
44 "pilot."
- 45 11. The provisions of **Section 1 Q. 6. – 10.** will be effective in all respects without regard to
46 whether the parties are then engaged in collective bargaining pursuant to Section 6 of the

Section 1 – Scope

- 1 Railway Labor Act. Delta expressly waives any and all rights whatsoever to argue that
- 2 the Association’s rights under these provisions or exercise of such rights should be
- 3 affected in any way by virtue of the status quo provisions of the Railway Labor Act.
- 4 12. Transactions between Delta and Hawaiian will be at arm’s length (as would be conducted
- 5 by independent, unaffiliated parties).
- 6
- 7