UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2022

or

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

Commission File Number 001-5424

DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**58-0218548**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Post Office Box 20706 **Atlanta, Georgia**	**30320-6001**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (404) 715-2600

Securities registered pursuant to Section 12(b) of the Act:

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

Smaller reporting company ☐ Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022 was approximately $18.6 billion.

On January 31, 2023, there were outstanding 641,238,655 shares of the registrant's common stock.

This document is also available on our website at http://ir.delta.com/.

Documents Incorporated By Reference

Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement for its 2022 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission.

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Unless otherwise indicated or the context otherwise requires, the terms "Delta," "we," "us," and "our" refer to Delta Air Lines, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

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

Part I

ITEM 1. BUSINESS

General

As a global airline based in the United States, we connect customers across our expansive global network with a commitment to industry-leading customer service, safety and innovation. In 2022, demand for air travel accelerated significantly beginning late in the March quarter with continued improvement throughout the remainder of the year. For the full year, we served approximately 177 million customers.

Competitive Advantages and Brand Strength

The competitive advantages that support our trusted consumer brand include our people and culture, operational reliability, global network, customer loyalty and financial foundation. In 2022, we continued to differentiate Delta from the industry by strengthening our competitive advantages.

People and Culture

The Delta people and culture are our strongest competitive advantage. Our employees provide world-class travel experiences for our customers and best-in-class service, delivering customer satisfaction and brand preference. In 2022, we continued investing in our people and hired approximately 25,000 new team members as we continued to rebuild the airline. As a testament to our people-focused culture, *Forbes* recognized Delta as No. 6 on its list of the World's Best Employers for 2022, making it the highest-ranked airline on the list. Glassdoor also recognized Delta as one of the Best Places to Work for the sixth year in a row, ranking No. 18 on the 2022 list of 100 large companies.

With our improved profitability, we returned to normal profit sharing and are planning a $563 million planned payout for eligible employees. Our industry-leading profit sharing program directly aligns our employees' interests with the company's long-term success. The company also maintains a Shared Rewards program to incentivize operational performance, and in 2022 $61 million was earned by employees under this program.

Operational Reliability

We remain committed to industry-leading reliability and are consistently among the industry's best performers. We delivered the best completion factor and on-time arrival and departure rates among our network carrier peers in 2022 based on preliminary data. Since July 1, 2022, we had a system-wide completion factor of 98.6%, with 71.1% of our domestic flights arriving on time. In 2022, we were honored with the Cirium Platinum Award for global operational excellence as North America's most on-time airline, reflecting Delta's on-time performance. In January 2023, the *Wall Street Journal* named us the top airline of 2022 among the nine U.S. airlines in its annual airline scorecard for the second consecutive year, leading the industry in on-time arrivals, completion factor and involuntary denied boardings.

Global Network

We and our alliance partners collectively serve over 130 countries and territories and over 800 destinations around the world. At the end of 2022, we offered more than 4,000 daily flights to more than 275 destinations on six continents.

Our domestic network is centered around core hubs in Atlanta, Minneapolis-St. Paul, Detroit and Salt Lake City. Core hubs have strong local passenger share, a high penetration of customers loyal to Delta, a competitive cost position and strong margins. Core hub positions complement coastal hub positions in Boston, Los Angeles, New York-LaGuardia, New York-JFK and Seattle. Coastal hubs provide a strong presence in large revenue markets and enable growth in premium products and international service.

In 2022, we focused on solidifying our positions in our coastal hubs, securing leading positions in Boston and Los Angeles. We expect to leverage our coastal gateways and strategic relationships with international airline partners to further grow our international service. We increased local market share in our core hubs and plan to focus growth in 2023 in our core hubs as we complete our rebuild.

Internationally, we have significant hubs and market presence in Amsterdam, London-Heathrow, Mexico City, Paris-Charles de Gaulle and Seoul-Incheon. Through innovative alliances with Aeroméxico, LATAM Airlines Group S.A. ("LATAM"), Air France-KLM, China Eastern, Korean Air and Virgin Atlantic, we seek to bring more choice to customers worldwide. In particular, the U.S. Department of Transportation ("DOT") granted final regulatory approval for our joint venture agreement with LATAM in 2022. Our strategic relationships with these international airlines are an important part of our business as they improve our access to markets around the world and enable us to provide customers a more seamless global travel experience across our alliance network. The most significant of these arrangements are commercial joint ventures or cooperation agreements that include joint sales and marketing coordination, co-location of airport facilities and other commercial cooperation arrangements. In some cases, we have reinforced strategic alliances through equity investments where we have opportunity to create deep relationships and maximize commercial cooperation.

Our global network is supported by a fleet of approximately 1,250 aircraft as of December 31, 2022 that are varied in size and capabilities, giving us flexibility to adjust aircraft to the network. We are continuing to refresh our fleet by acquiring new and more fuel-efficient aircraft with increased premium seating and higher cargo capacity to replace older aircraft, and to reduce our fleet complexity with fewer fleet types. In 2022, we took delivery of 69 aircraft, including new A321neos, A220-100s, A220-300s, A330-900s, A350-900s and pre-owned CRJ-900s and Boeing 737-900ERs. Our new aircraft are on average 25% more fuel efficient per seat mile than retiring aircraft. In July 2022, we entered into a purchase agreement with Boeing for 100 Boeing 737-10 aircraft, the largest model in the 737 MAX family, to start delivery in 2025 with the option to purchase an additional thirty 737-10 aircraft.

Customer Loyalty

With operational excellence, best-in-class service and commitment to our customers, we have continued to earn our customers' trust and preference by delivering the "Delta Difference." We are elevating the customer experience in key markets by deploying our newest aircraft and technology investments and by accelerating generational airport investments, including new facilities that opened at New York-LaGuardia, Los Angeles and Seattle in 2022. We believe our continued investment in customer service and experience, operations, product, airports and technology has shaped customer perception of our brand leading to improvements in our domestic net promoter scores and increased customer loyalty compared to pre-pandemic levels. In 2022, various outlets recognized Delta as a trusted consumer brand, including:

- Named the number one airline by corporate travel customers in the annual Business Travel News Airline Survey for the 12th year in a row and the No. 1 U.S. airline by *Condé Nast Traveler* readers.

- Received top honors from The Points Guy's Readers' Choice Awards for the Best U.S. Airline Loyalty Program, Best Airport Lounge Network and Best Airline Co-Branded Credit Card with the SkyMiles® Platinum American Express.

- Delta SkyMiles awarded as Americas' top loyalty program by the Frequent Traveler People's Awards in four of its five award categories.

Our award-winning SkyMiles program is designed to attract lifetime members and to grow customer loyalty by offering our customers a wide variety of benefits when traveling with us and our partners, and personalizing our engagement with them. We aim to increase the value of our program for customers and to deepen customer engagement with Delta through a growing ecosystem of partnerships with premier brands, extending the value of our SkyMiles currency beyond flight and introducing new technology initiatives.

In 2022, the SkyMiles program membership accelerated with a record 8.5 million new SkyMiles Members. We believe there is opportunity to continue this trend and expect the increased value we provide customers to deliver high-margin revenue and more resilient cash flows.

Financial Foundation

In 2022, we made significant progress restoring our financial foundation with strong profitability and positive free cash flow for the year. Our financial results are discussed in more detail in "Item 7. Management's Discussion and Analysis," which includes definitions and reconciliations of non-GAAP financial measures, including free cash flow, under the "Supplemental Information" section.

Restoring the strength of our balance sheet and reducing debt is a key financial priority. During 2022, we repaid approximately $4.5 billion in debt and finance lease obligations and the company remains committed to regaining investment grade metrics. The strength of our balance sheet supports our ability to obtain financing and was instrumental in protecting shareholders during the pandemic.

Over the last decade we have fundamentally transformed our business by investing in our people, our product and our reliability to alter the commodity-like nature of air travel and improve our financial foundation. We have diversified our business by growing high-margin revenue streams that leverage our competitive advantages, including:

- Our partnership with American Express, which provides us a co-brand revenue stream tied to broader consumer spending.

- Our continued focus on our premium products (including Delta One®, First Class, Delta Premium Select and Delta Comfort+®) and customer segmentation, which has reduced our reliance on the most price sensitive customer segment.

- Our complementary portfolio businesses, such as our cargo business, which has grown significantly during the pandemic, and our Maintenance, Repair and Overhaul ("MRO") operation, where we believe we remain well-positioned for growth through contractual agreements with jet engine manufacturers, including three next generation engine platforms.

Our premium yield growth has significantly outpaced main cabin with paid load factors higher in 2022 than in 2019, as demand for premium products continues to grow. In 2022, we also expanded our Delta Premium Select rollout, which will continue in 2023. The sale of premium products is facilitated through various distribution channels, with 63% of tickets sold through direct channels in 2022. These include digital channels, such as delta.com and the Fly Delta app, and our reservations specialists. Indirect distribution channels include online travel agencies and traditional "brick and mortar" agencies. We make fare and product information widely available across those channels in an effort to ensure customers receive the best information and service options, further supporting the growth of premium products.

Innovative Investments in Technology

Our objective is to make technology a strategic differentiator. We continue to invest in technological improvements that enhance the customer experience, support our operations and provide tools for our employees. These investments include innovations to customer facing applications and improvements to infrastructure and technology architecture to unify and improve access to data sources. We believe this digital transformation enhances interactions with our customers and allows our people to deliver more personalized service, further enhancing the customer experience and strengthening our brand.

Through the development of innovative new technologies, we can better serve customers and give our employees the best tools. For our customers, we are making investments in the digital platforms on the ground and in the air. We are evolving the Fly Delta app into a digital travel concierge for our customers to offer convenient services on the day of travel and deliver thoughtful notifications to make their travel journeys more seamless. On the ground, we are investing to create a smoother, less stressful and increasingly contactless travel experience. Onboard the aircraft, we continue to invest in in-flight entertainment and announced fast, free and unlimited Wi-Fi for all customers through a free SkyMiles account on most domestic mainline flights, with full availability on international and regional aircraft expected by the end of 2024. We also introduced Delta Sync to create personalized experiences and further elevate the consumer experience across the travel journey, including partnerships with leading brands. For our employees, we are investing in applications that allow our people to have more meaningful interactions with our customers.

SkyMiles Program

Our SkyMiles program provides its members with the ability to earn miles when traveling on Delta, Delta Connection and our partner airlines. Miles may also be earned by using certain services offered by program partners, such as credit card companies, hotels, car rental agencies and ridesharing companies. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines.

Miles may be used toward award redemptions such as flights and upgrades on Delta, our regional carriers and other participating airlines as well as donations with specific charities and more. In 2022, 10% of revenue miles flown on Delta were from award travel, as program members redeemed miles in the loyalty program for approximately 25 million award tickets. Our most significant and valuable contract to sell miles relates to our co-brand credit card relationship with American Express. In 2022, the Delta American Express co-branded card grew by 1.2 million new cardholders, with remuneration from American Express surpassing $5.5 billion.

Commercial Arrangements with Other Airlines

We have marketing alliances with other airlines to enhance our access to domestic and international markets.

Joint Venture/Cooperation Agreements. We have implemented four separate joint venture or joint cooperation agreements with foreign carriers as described below, each of which has been granted antitrust immunity from the DOT. We have sought to reinforce a number of the agreements through equity investments in those carriers. See Note 4 of the Notes to the Consolidated Financial Statements for additional information about our equity investments.

Each of our joint venture or cooperation arrangements provides for joint commercial cooperation with the relevant partner within the geographic scope of the arrangement, including the sharing of revenues and/or profits and losses generated by the parties on the joint venture routes, as well as joint marketing and sales, coordinated pricing and revenue management, network and schedule planning and other coordinated activities with respect to the parties' operations on joint venture routes. Our implemented commercial joint ventures consist of the following:

- A combined joint venture with Air France, KLM and Virgin Atlantic with respect to transatlantic traffic flows. In addition to the joint venture, we own a non-controlling 49% equity stake in Virgin Atlantic Limited, the parent company of Virgin Atlantic Airways and a 3% ownership stake in the parent company of Air France and KLM.

- A joint cooperation agreement with Aeroméxico with respect to trans-border traffic flows between the U.S. and Mexico. In addition to the joint cooperation agreement, we currently own an approximately 20% equity stake in Grupo Aeroméxico, S.A.B. de C.V., the parent company of Aeroméxico. In March 2022, Grupo Aeroméxico emerged from its voluntary proceedings to reorganize under Chapter 11 of the United States bankruptcy code.

- A joint venture agreement with LATAM with respect to traffic flows between North and South America, allowing our passengers to access more than 300 destinations between the United States/Canada and South America (Brazil, Chile, Colombia, Paraguay, Peru and Uruguay). Upon completion of LATAM's restructuring process in November 2022, we acquired an approximately 10% equity stake in LATAM.

- A joint venture with Korean Air with respect to traffic flows between the United States and certain countries in Asia. In addition to the joint venture, we own just under 15% of the outstanding common stock of Hanjin-KAL, the largest shareholder of Korean Air.

Enhanced Commercial Agreements with China Eastern. We own a 2% equity interest in China Eastern, with whom we have a strategic joint marketing and commercial cooperation arrangement covering traffic flows between China and the U.S., which includes reciprocal codesharing, loyalty program participation, airport lounge access and joint sales cooperation.

SkyTeam. In addition to our marketing alliance agreements with individual foreign airlines, we are a member of the SkyTeam global airline alliance. The other members of SkyTeam are Aerolíneas Argentinas, Aeroméxico, Air Europa, Air France, China Airlines, China Eastern, Czech Airlines, Garuda Indonesia, ITA Airways, Kenya Airways, KLM, Korean Air, Middle East Airlines, Saudia, TAROM, Vietnam Airlines and Xiamen Airlines. Virgin Atlantic is expected to join the SkyTeam alliance in early 2023. Through alliance arrangements with other SkyTeam carriers, we are able to link our network with the route networks of the other member airlines, providing opportunities to increase connecting traffic while offering enhanced customer service through reciprocal codesharing and loyalty program participation, airport lounge access and cargo operations.

Regional Carriers

We have air service agreements with domestic regional air carriers that feed traffic to our route system by serving passengers primarily in small and medium-sized cities in the domestic market. These arrangements enable us to better match capacity with demand in these markets.

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

- Endeavor Air, Inc., a wholly owned subsidiary of ours ("Endeavor").
- Republic Airways, Inc.
- SkyWest Airlines, Inc. ("SkyWest Airlines").

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

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

Cargo

Through our global network, our cargo operations are able to connect the world’s major freight gateways. We generate cargo revenues in domestic and international markets through the use of cargo space on regularly scheduled passenger aircraft. We are a member of SkyTeam Cargo, an international airline cargo alliance with ten other airlines that offer a network spanning six continents, through which we provide global solutions to our customers by connecting our network with those partners.

In 2022, cargo revenues increased year over year as ongoing supply chain challenges, elevated market yields and increased capacity benefited our cargo operations.

Other Complementary Businesses

We have various other businesses arising from our airline operations, including the following:

- In addition to providing maintenance and engineering support for our fleet of approximately 1,250 mainline and regional aircraft, our MRO operation, known as Delta TechOps, serves aviation and airline customers from around the world. With agreements to service multiple next-generation aircraft engines, Delta TechOps is positioned as a leading global service provider for state-of-the-art, more sustainable engines.
- Our vacation wholesale subsidiary, Delta Vacations, provides vacation packages to third-party consumers.

In 2022, the total revenue from our MRO operation and Delta Vacations was approximately $850 million.

Environmental Sustainability

Over the course of 2022, Delta made continued progress on our previously announced plan to invest $1.0 billion through the end of 2030 toward airline carbon neutrality and our climate goals for our airline operations that align with the applicable framework of the Science Based Targets initiative ("SBTi"). These climate goals also are helping inform the evolution of our foundational goals as we pursue a more sustainable airline. In July 2022, SBTi validated our medium-term goal to reduce well-to-wake (lifecycle) scope 1 and 3 jet fuel greenhouse gas emissions by 45% per revenue tonne kilometer by 2035 from a 2019 base year. SBTi also determined that our scope 1 and 2 target ambition is in line with the Paris Agreement's goal of limiting global warming to well below two degrees Celsius above pre-industrial levels. We are awaiting validation of our long-term goal submission, aiming to achieve net zero greenhouse gas emissions across the airline operation and its value chain (scopes 1, 2 and 3) no later than 2050, as outlined by the SBTi Net Zero Standard Criteria.

The global aviation industry is viewed as a hard-to-abate sector, meaning it is innately difficult to decarbonize. Our path toward achievement of these targets and our overall environmental sustainability efforts will focus on two main pillars:

Eliminate our Climate Impact from Flying

- ***Fleet***: Our fleet renewal efforts have the largest impact on reducing emissions and emissions intensity from our airline operation. In 2022, Delta took delivery of 69 aircraft that were, on average, 25% more fuel efficient per seat mile than retiring aircraft, contributing to a fleet-wide fuel efficiency improvement of 4.1% compared to 2019. We also announced a series of new aircraft purchase agreements, which will continue to improve fuel efficiency. We expect our fleet renewal plans to continue to improve fuel efficiency in future periods.

- ***Fuel***: Sustainable aviation fuel ("SAF") is central to reducing the lifecycle emissions from aviation fuel; however, it is not currently available at the scale or cost necessary to meet the industry’s needs. We have established a goal of replacing 10% of our jet fuel consumption with SAF by the end of 2030, which we expect will require at least 400 million gallons of SAF annually. At the end of 2022, Delta had agreements in place with multiple suppliers for an aggregate offtake of 200 million gallons of SAF annually by 2030, subject to third-party investment and timely facility development.

- ***Aircraft operations***: Our Carbon Council is a cross-divisional senior leadership team that is focused on executing and tracking operational initiatives that reduce jet fuel consumption improving our emissions intensity. This work includes those things we can improve on immediately within flight operations as well as collaborating with outside experts such as MIT to evaluate new technologies. Our efforts also supplement industry-wide efforts to support the modernization of the air traffic control system, which would allow for more fuel-efficient and less carbon-intensive flying.

Embed Sustainability in Everything we Do

- ***Travel experience***: We are accelerating our efforts to build a more sustainable travel experience reducing single-use plastics on board. In early 2022, we refreshed our onboard product offerings, which are expected to reduce onboard single-use plastic consumption by approximately 4.9 million pounds per year.

- ***Supply chain***: In 2022, we integrated more than 50% of our top 200 Supply Chain vendors based on spend in EcoVadis’ ESG ratings platform. EcoVadis’ scorecard allows us to measure the impact of our supply chain, encourage vendors to take action to improve their scores and identify potential new vendors with strong sustainability ratings.

- ***Ground operations and facilities***: As of December 2022, 25% of our eligible core and critical ground equipment fleets necessary to service an aircraft at the gate such as baggage tractors, belt loaders, aircraft tow tractors, and other essential ground equipment ("eligible GSE") are electrified. Additionally, we have made investments to update airport facilities, modernizing the customer experience, while also creating more sustainable facilities incorporating technology to reduce our impact on the environment. We continue to work with airports throughout our network to add additional charging infrastructure to support our goal of electrifying 50% of our eligible GSE fleet by 2025.

Achieving these ambitious goals will require significant capital investment from manufacturers and other stakeholders. We are committed to engaging our stakeholders and building coalitions to increase production and consumption of alternative fuels, develop new technologies and help drive down costs. In 2022, we hired the airline industry's only C-Suite level Chief Sustainability Officer to lead the continuing development of our climate strategy and transition plan. We are members of aviation industry-specific and broader coalitions in an effort to achieve our climate goals and to influence climate and sustainability policy development.

Employee Matters

Human Capital and Commitment to Diversity, Equity and Inclusion

We believe that Delta people are our strongest competitive advantage, and the high-quality service that they provide sets us apart from other airlines. As of December 31, 2022, we had approximately 95,000 full-time employee equivalents, of which approximately 93,000 were based in the U.S. In 2022, as we continued to restore our business, we hired approximately 25,000 new full-time employees across our business, including pilots, flight attendants, and customer service agents.

Our principal human capital management objectives are to attract, retain and develop people who understand and are committed to delivering the "Delta Difference" that is core to our brand. To support these objectives, we have put in place programs that seek to:

- Reward our people through highly competitive total compensation designed to share Delta's success with our employees who make it possible and promote teamwork and collaboration across the business.
- Achieve high performance by fostering our people's holistic wellbeing including physical, emotional, social and financial wellbeing.
- Drive employees' professional and community engagement.
- Prepare our employees for key roles and future leadership positions through a variety of training and development programs.
- Enhance our culture through efforts aimed at making our workplace more engaging, equitable and inclusive.

The health and safety of our employees is foundational to achieving these objectives. We have long led the airline industry in employee safety and seek to achieve world-class personal safety performance.

Our commitment to diversity, equity and inclusion is critical to effective human capital management at Delta. As a global airline, we are in the business of bringing people together, and we believe our business should reflect the diversity of our customer base. To achieve this goal, we seek diverse talent internally and externally in an effort to achieve broader representation throughout our organization. We also promote inclusion through education, training and development opportunities as well as by leveraging insights from our ten employee resource groups, which we refer to as business resource groups, totaling membership of more than 30,000 as of December 31, 2022. In 2022, we extended our enhanced inclusion training for the benefit of our new employees and invested in our leadership's equity education and understanding with nearly 70% of officers having participated in a voluntary two-day racial equity workshop by the end of 2022. In addition, we are reviewing and revising systems, practices and policies in support of our commitment to diversity, equity and inclusion and with a focus on achieving equitable outcomes. Two key areas on which we are focused are (1) reinforcement of our diverse talent pipeline by, among other things, requiring hiring candidate slates and interview panels to reflect diversity and creating new pathways to certain roles by removing college degree requirements and introducing a skills-first talent approach, and (2) closing diversity gaps in senior leadership positions by increasing the representation of women, Black and other underrepresented racial and ethnic groups in those roles, including doubling the percentage of Black officers and director-level employees by 2025 as compared to 2020. In 2022, we made meaningful progress towards this goal by increasing the percentage of Black officers and director-level employees to 8.5% from 5.8% in 2020, although much work remains to be done to provide additional internal and external career pathways to senior leadership roles.

We believe that listening, engaging and connecting with employees furthers our human capital management objectives. We have historically done so primarily through our open-door policy, digital communication across all levels of the company, in-person events with senior management and company-wide and division-specific surveys to evaluate employee satisfaction. Members of senior management participate in regular company-wide town hall discussions with our employees and our senior executive leadership team regularly shares memos with all employees regarding our ongoing commitment to our people and our culture. We have also continued to conduct periodic employee surveys to seek feedback on engagement levels in general, our well-being programs, diversity, equity and inclusion efforts and our culture of safety.

Collective Bargaining

As of December 31, 2022, we had approximately 95,000 full-time equivalent employees, approximately 20% of whom were represented by unions.

Domestic airline employees represented by collective bargaining agreements by group

Employee Group	Approximate Number of Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	15,040	ALPA	December 31, 2019
Delta Flight Superintendents (Dispatchers)	450	PAFCA	November 1, 2024
Endeavor Pilots	1,750	ALPA	January 1, 2029
Endeavor Flight Attendants	1,800	AFA	March 31, 2027

We have been in mediated discussions with the representative of the Delta pilots regarding terms of their amendable collective bargaining agreement under the auspices of the National Mediation Board ("NMB"). In January 2023, a tentative agreement was ratified by ALPA's Delta Master Executive Council ("MEC") and is subject to ratification by Delta's pilots through a vote that is scheduled to close on March 1, 2023.

In addition to the domestic airline employee groups discussed above, approximately 200 refinery employees of our wholly owned subsidiary, Monroe Energy, LLC ("Monroe") are represented by the United Steel Workers under an agreement that expires on February 28, 2026. This agreement is governed by the National Labor Relations Act ("NLRA"), which generally allows either party to engage in self-help upon the expiration of the agreement. Certain of our employees outside the U.S. are represented by unions, work councils or other local representative groups.

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

Fuel

Our results of operations are significantly impacted by changes in the price and availability of aircraft fuel. We purchase most of our aircraft fuel under contracts that establish the price based on various market indices and therefore do not provide material protection against price increases or assure the availability of our fuel supplies. We also purchase aircraft fuel on the spot market, from offshore sources and under contracts that permit the refiners to set the price. We are currently able to obtain adequate supplies of aircraft fuel, including fuel produced by Monroe or procured through the exchange of gasoline, diesel and other refined petroleum products ("non-jet fuel products") the refinery produces, and crude oil for Monroe's operations.

The following table shows our aircraft fuel consumption and costs:

Fuel consumption and expense by year

Year	Gallons Consumed[(1)] (in millions)	Cost[(1)(2)] (in millions)	Average Price Per Gallon[(1)(2)]	Percentage of Total Operating Expense[(1)(2)]
2022	3,412	$ 11,482	$ 3.36	24 %
2021	2,778	$ 5,633	$ 2.02	20 %
2020	1,935	$ 3,176	$ 1.64	11 %

(1) Includes the operations of our regional carriers operating under capacity purchase agreements.
(2) Includes the impact of fuel hedge activity, refinery segment results and carbon offset costs.

Monroe Energy

Our Monroe subsidiaries operate the Trainer refinery and related logistics assets located near Philadelphia, Pennsylvania. The facilities include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK. These companies are distinct from us, operating under their own management teams and with their own boards. We own Monroe as part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel, as well as to maintain sufficiency of supply to our New York operations.

Refinery Operations. The facility is capable of refining approximately 200,000 barrels of crude oil per day and operations returned to pre-pandemic levels throughout 2022. Monroe sources domestic and foreign crude oil supply from a variety of providers.

Strategic Agreements. Monroe has agreements in place to exchange the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations.

Environmental Sustainability. Delta is evaluating operational pathways for integrating Monroe into Delta's net zero future. Monroe's sustainability ambitions include being one of the most energy efficient refineries in the country with the lowest energy intensity and GHG emissions on an absolute and per barrel basis. For example, Monroe is implementing a plan to replace steam driven turbines that currently power pumps at the facility with more efficient and reliable electric motors, which will reduce the amount of steam required from the facility's natural gas-fired boilers. Monroe is also recovering and utilizing methane, a potent GHG, instead of flaring it to the atmosphere. Finally, in support of Delta's 10% SAF goal, Monroe is evaluating the possibility of producing SAF and other renewable fuels at the Trainer refinery, although additional analyses must be conducted to determine economic and operational viability of various SAF production pathways.

Fuel Hedging Program

Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe's inventory. We may utilize different contract and commodity types in this program and frequently test their economic effectiveness against our financial targets. We closely monitor the hedge portfolio and rebalance the portfolio based on market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates.

Competition

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), operational reliability, services, products, customer service and loyalty programs. The industry has evolved through mergers and new entry, both domestically and internationally, and evolution in international alliances. Consolidation in the airline industry, the presence of subsidized government-sponsored international carriers, changes in international alliances and the creation of immunized joint ventures have altered, and will continue to alter, the competitive landscape in the industry, resulting in the formation of airlines and alliances with significant financial resources, extensive global networks and competitive cost structures.

Domestic

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

International

Our international operations are subject to competition from both foreign and domestic carriers, including from point-to-point carriers on certain international routes. Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European, Asian and Latin American gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships.

In particular, several joint ventures among U.S. and foreign carriers, including several of our joint ventures as well as those of our competitors, have received grants of antitrust immunity allowing the participating carriers to coordinate networks, schedules, pricing, sales and inventory. In addition, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have enhanced competition in international markets.

Regulatory Matters

The DOT and the Federal Aviation Administration (the "FAA") exercise regulatory authority over air transportation in the U.S. The DOT has authority to issue certificates of public convenience and necessity required for airlines to provide air transportation. An air carrier that the DOT finds fit, willing, and able to perform the proposed service is given authority to operate domestic and international air transportation (including the carriage of passengers and cargo), as applicable. Since the passage of the Airline Industry Deregulation Act in 1978, airlines have generally been free to launch or terminate service to U.S airports without restriction, except with respect to certain slot-controlled and schedule-facilitated airports, as well as certain constraints related to service to small communities governed by the "Essential Air Services" program.

The DOT has jurisdiction over certain economic and consumer protection matters, such as unfair or deceptive practices and methods of competition, advertising, denied boarding compensation, baggage liability and disabled passenger transportation. The DOT also has authority to review certain joint venture agreements between domestic and international carriers. The DOT engages in regulation of economic matters such as transactions involving allocation of "slots" or similar regulatory mechanisms which limit the rights of carriers to conduct operations at airports where such mechanisms are in place. The FAA has primary responsibility for matters relating to the safety of air carrier flight operations, including airline operating certificates, control of navigable air space, flight personnel, aircraft certification and maintenance and other matters affecting air safety.

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

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

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

Fares and Rates

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

Route Authority

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

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

Airport Access

Operations at three major domestic airports and certain foreign airports that we serve are regulated by governmental entities through allocations of "slots" or similar regulatory mechanisms. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

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

Airline Labor Regulation

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

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

Environmental Regulation

Environmental Compliance Obligations. Our operations are subject to numerous international, federal, state and local laws and regulations governing protection of the environment, including regulation of greenhouse gases and other air emissions, noise reduction, water discharges, aircraft drinking water, storage and use of petroleum products and other regulated substances, and the management and disposal of hazardous waste, substances and materials.

We are also subject to certain environmental laws and contractual obligations governing the management and release of regulated substances, which may require the investigation and remediation of affected sites. Soil and/or ground water impacts have been identified at certain of our current or former leaseholds at several domestic airports. To address these impacts, we have a program in place to investigate and, if appropriate, remediate these sites. Although the ultimate outcome of these matters cannot be predicted with certainty, we believe that the resolution of these matters will not have a material adverse effect on our Consolidated Financial Statements.

In 2022 the U.S. Environmental Protection Agency (the "EPA") proposed regulations to define certain per- and polyfluoroalkyl substances ("PFAS") as "hazardous substances" under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Numerous states have adopted regulations governing these substances as well. PFAS are used in a wide variety of consumer and industrial products, including the firefighting foams used to extinguish fuel-based fires at airports and refineries. The EPA's proposed rule, once finalized, could subject airports, airlines, and refineries, among others, to potential liability for cleanup of historical PFAS contamination associated with use of PFAS-containing firefighting foam. The ultimate impact and associated cost to Delta of this rulemaking cannot be predicted at this time.

GHG Emissions. Aviation industry GHG emissions, particularly carbon emissions, and their impact on climate change have become a focus in the international community and within the U.S. In 2016, the International Civil Aviation Organization ("ICAO") formally adopted a global, market-based emissions offset program known as the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). This program establishes a goal for the aviation industry to achieve carbon-neutral growth in international aviation beginning in 2021. Any growth above the baseline would need to be addressed using either eligible carbon offsets or a lower carbon fuel. The baseline for establishing airlines' obligations under CORSIA was originally set as an average of 2019 and 2020 emissions. However, given the COVID-19 pandemic and resulting unprecedented reduction in international travel, in June 2020 ICAO removed 2020 from the baseline calculation for the first phase of CORSIA, from 2021 to 2023. In 2022, ICAO established a new, more stringent CORSIA baseline of 85% of 2019, which will apply starting in 2024 through 2035.

A pilot phase of the CORSIA program runs from 2021 through 2023, followed by a first phase of the program beginning in 2024 and a second phase beginning in 2027. Countries can voluntarily participate in the pilot and first phase, and the United States agreed to participate in these voluntary phases. Participation in the second phase is mandatory for certain countries, including the United States. The U.S. government has not yet enacted legislation to mandate that U.S. operators participate in CORSIA. Nonetheless, Delta has voluntarily submitted verified emissions reports on its annual international emissions.

Additionally, the EU requires its member states to implement regulations to include aviation in its Emissions Trading Scheme ("ETS"). Under these regulations, any airline with flights originating or landing in the European Economic Area ("EEA") is subject to the ETS and, beginning in 2012, was required to purchase emissions allowances if the airline exceeds the number of free allowances allocated to it under the ETS. The scope of the ETS has been narrowed so that it currently applies only to flights within the EEA through 2023 to align with the pilot phase of CORSIA. In late 2022, the EU agreed on legislative language that would extend the narrow scope of EU ETS through 2026. Extension beyond 2026 would be conditioned on the performance of CORSIA. The EU is expected to finalize this legislation in early 2023. As a result of the United Kingdom's ("UK") withdrawal from the EU, UK flights are no longer part of the EU ETS and are instead regulated under a separate UK ETS scheme. UK ETS is applicable to UK domestic flights and flights from the UK to EEA countries.

In 2017, ICAO also adopted aircraft certification standards to reduce carbon dioxide ("CO_2") emissions from new aircraft. The new aircraft certification standards applied to new fleet types in 2020 and will apply to in-production aircraft starting in 2023 but no later than 2028. These standards will not apply to existing in-service aircraft.

In 2016, the EPA issued a final finding under the Clean Air Act that GHGs threaten the public health and welfare, and further determined that certain classes of aircraft engines cause or contribute to GHGs. The endangerment finding did not establish standards but triggered an obligation for the EPA to regulate GHG emissions from certain aircraft engines. In January 2021, the EPA finalized GHG emission standards for new aircraft engines designed to implement the ICAO standards on the same timeframe contemplated by ICAO. Like the ICAO standards, the final EPA standards would not apply to engines on in-service aircraft. The final standards have been challenged by several states and environmental groups. On November 15, 2021, the EPA announced that it would defend the current standards while simultaneously calling for ambitious new international CO_2 standards at the ICAO negotiations. The outcome of the legal challenge cannot be predicted at this time.

The airline industry may face additional regulation of aircraft emissions in the U.S. and abroad and become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for GHG emissions in various jurisdictions. For example, in 2023, the EU is expected to finalize a sustainable aviation fuel blending mandate for aviation fuel suppliers beginning in 2025. Individual EU member states have been developing their own requirements, including for example, separate SAF mandates in France and Sweden in 2022. In the United States, various exploratory discussions continue around approaches to address climate change, such as carbon pricing, without a clear legislative path forward. Additional regulation could result in taxation, regulatory or permitting requirements from multiple jurisdictions for the same operations and significant costs for us and the airline industry. In addition to direct costs, such regulation could result in increased fuel costs passed through from fuel suppliers affected by any such regulations. Certain airports have also adopted, and others could in the future adopt, GHG emission or climate-related goals and requirements that could impact our operations or require us to make changes or investments in our infrastructure. We are monitoring and evaluating the potential impact of such developments.

Noise. The Airport Noise and Capacity Act of 1990 recognizes the rights of operators of airports with noise problems to implement local noise abatement programs so long as such programs do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. This statute generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if locally imposed regulations become more restrictive or widespread. In addition, foreign governments may allow airports to enact similar restrictions, which could adversely impact our international operations or require significant expenditures in order for our aircraft to comply with the restrictions. For example, in 2022, to reduce noise, the Netherlands announced plans to reduce the maximum number of flights authorized annually at Amsterdam's Schiphol Airport. Before implementing the new limitations, the Dutch government must assess alternatives, including noise impact and cost effectiveness. The outcome cannot be determined at this time.

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

Under the Energy Policy Act of 2005, as expanded by the Energy Independence and Security Act of 2007, the Renewable Fuel Standard ("RFS") was created, setting up specific targets of renewable fuel to be used in the U.S. economy by mandating the blending of renewable fuels into gasoline and on-road diesel ("Transportation Fuels"). Renewable Identification Numbers ("RINs") are assigned to renewable fuels produced by or imported into the U.S. that are blended into Transportation Fuels to demonstrate compliance with this obligation. A refinery may meet its obligation under RFS by blending the necessary volumes of renewable fuels with Transportation Fuels, by purchasing RINs in the open market or through a combination of blending and purchasing RINs. Because Monroe is able to blend only a small amount of renewable fuels, it must purchase the majority of its RINs requirement in the secondary market. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases primarily in response to speculation about what the EPA and/or the U.S. Congress will do with respect to compliance obligations. In November 2022, the EPA issued proposed RFS volume requirements for 2023, 2024 and 2025, which are expected to be finalized by June 2023. The EPA's proposed ethanol mandates for 2023, 2024, and 2025 are billions of gallons above the projected ethanol demand for those years, which has resulted in an increase to already high prices for RINs.

Civil Reserve Air Fleet Program

We participate in the Civil Reserve Air Fleet program (the "CRAF Program"), which permits the U.S. military to use the aircraft and crew resources of participating U.S. airlines during airlift emergencies, national emergencies or times of war. We have agreed to make available under the CRAF Program a portion of our international aircraft during the contract period that ends on September 30, 2023. The CRAF Program has only been activated three times since it was created in 1951, most recently in 2021 to support the military's effort to evacuate people from Afghanistan following the withdrawal of U.S. troops from the country.

Information About Our Executive Officers

Edward H. Bastian, Age 65: Chief Executive Officer of Delta since May 2016; President of Delta (September 2007 - May 2016); President of Delta and Chief Executive Officer Northwest Airlines, Inc. (October 2008 - December 2009); President and Chief Financial Officer of Delta (September 2007 - October 2008); Executive Vice President and Chief Financial Officer of Delta (July 2005 - September 2007); Chief Financial Officer of Acuity Brands (June 2005 - July 2005); Senior Vice President - Finance and Controller of Delta (2000 - April 2005); Vice President and Controller of Delta (1998 - 2000).

Glen W. Hauenstein, Age 62: President of Delta since May 2016; Executive Vice President - Chief Revenue Officer of Delta (August 2013 - May 2016); Executive Vice President - Network Planning and Revenue Management of Delta (April 2006 - July 2013); Executive Vice President and Chief of Network and Revenue Management of Delta (August 2005 - April 2006); Vice General Director - Chief Commercial Officer and Chief Operating Officer of Alitalia (2003 - 2005); Senior Vice President- Network of Continental Airlines (2003); Senior Vice President - Scheduling of Continental Airlines (2001 - 2003); Vice President Scheduling of Continental Airlines (1998 - 2001).

Allison C. Ausband, Age 60: Executive Vice President - Chief Customer Experience Officer of Delta since June 2021; Senior Vice President - In-Flight Service of Delta (September 2014 - May 2021); Vice President - Reservation Sales and Customer Care of Delta (January 2010 - September 2014).

Alain Bellemare, Age 61: President - International of Delta since January 2021; Chief Executive Officer of Bombardier (February 2015 - March 2020); President and Chief Executive Officer of United Technologies Corporation Propulsion & Aerospace Systems (June 2011 - February 2015).

Peter W. Carter, Age 59: Executive Vice President - External Affairs of Delta since October 2022; Executive Vice President - Chief Legal Officer of Delta (July 2015 - October 2022); Partner of Dorsey & Whitney LLP (1999 - 2015), including co-chair of Securities Litigation and Enforcement practice group, chair of Policy Committee and chair of trial department.

Daniel C. Janki, Age 54: Executive Vice President - Chief Financial Officer of Delta since July 2021; Senior Vice President of General Electric Company (GE) and Chief Executive Officer of GE Power Portfolio (October 2020 - June 2021); Senior Vice President, Business and Portfolio Transformation of GE (2018 - 2020); Senior Vice President, Treasurer and Global Business Operations of GE (2014 - 2017); Senior Vice President, CEO of GE Energy Management (2012 - 2013).

John E. Laughter, Age 52: Executive Vice President - Chief of Operations of Delta since June 2021; Senior Vice President and Chief of Operations of Delta (October 2020 - June 2021); Senior Vice President - Flight Operations of Delta (March 2020 - October 2020); Senior Vice President - Corporate Safety, Security and Compliance of Delta (August 2013 - March 2020); Senior Vice President - Maintenance Operations of Delta (March 2008 - July 2013); Vice President - Maintenance of Delta (December 2005 - March 2008).

Rahul Samant, Age 56: Executive Vice President - Chief Information Officer of Delta since January 2018; Senior Vice President and Chief Information Officer of Delta (February 2016 - December 2017); Senior Vice President and Chief Digital Officer of American International Group, Inc. (January 2015 - February 2016); Senior Vice President and Global Head, Application Development and Management of American International Group, Inc. (September 2012 - December 2014); Managing Director of Bank of America (1999 - September 2012).

Steven M. Sear, Age 57: Executive Vice President - Global Sales of Delta since February 2016; Senior Vice President - Global Sales of Delta (December 2011 - February 2016); Vice President - Global Sales of Delta (October 2008 - December 2011); Vice President - Sales & Customer Care of Northwest Airlines, Inc. (June 2005 - October 2008).

Joanne D. Smith, Age 64: Executive Vice President and Chief People Officer of Delta since October 2014; Senior Vice President - In-Flight Service of Delta (March 2007 - September 2014); Vice President - Marketing of Delta (November 2005 - February 2007); President of Song (January 2005 - October 2005); Vice President - Marketing and Customer Service of Song (November 2002 - December 2004).

Additional Information

Our company website is located at www.delta.com and our investor relations website is located at ir.delta.com. We make available free of charge on our investor relations website our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after these reports are filed with or furnished to the Securities and Exchange Commission ("SEC"). Information on our website, including our investor relations website, is not incorporated into this Form 10-K or our other securities filings and is not a part of those filings.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the following material risk factors applicable to Delta. As described below, these risks could materially affect our business, financial condition or results of operations in the future.

Risk Factors Relating to Delta

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

We have a significant amount of existing fixed obligations, including aircraft lease and debt financings, leases of airport property and other facilities, and other material cash obligations. In addition, we have substantial commitments for capital expenditures.

We had approximately $9.4 billion in cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities ("liquidity") as of December 31, 2022; however, our future liquidity could be negatively affected by the risk factors discussed in this Form 10-K, and in other filings we may make from time to time with the SEC. If our liquidity is materially diminished, we might not be able to timely pay our leases and debts or comply with certain financial covenants in our financing and credit card processing agreements or with other material provisions of our contractual obligations.

Agreements governing our debt, including our credit facilities and our SkyMiles financing agreements, include financial and other covenants. Certain of these covenants impose restrictions on our business, and failure to comply with any of the covenants in these agreements could result in events of default.

Our debt agreements contain various affirmative, negative and financial covenants, including our credit facilities and our SkyMiles financing agreements, each of which contains a minimum liquidity covenant. Certain of our debt agreements also contain collateral coverage ratios, and our SkyMiles financing agreements contain a debt service coverage ratio. A decline in these coverage ratios, including due to factors that are beyond our control, could require us to post additional collateral or trigger an early amortization event. Our SkyMiles financing agreements also restrict our ability to, among other things, change the policies and procedures of the SkyMiles program in a manner that would reasonably be expected to materially impair repayment of our SkyMiles debt.

Complying with certain of the covenants in our debt agreements and other restrictive covenants that may be contained in any future debt agreements could limit our ability to operate our business and to take advantage of business opportunities that are in our long-term interest. The terms of any future indebtedness we may incur could include more restrictive covenants.

While the covenants in our debt agreements are subject to important exceptions and qualifications, if we fail to comply with them and are unable to obtain a waiver or amendment, refinance the indebtedness subject to these covenants or take other mitigating actions, an event of default would result. These arrangements also contain other events of default customary for such financings. If an event of default were to occur, the lenders or noteholders could, among other things, declare outstanding amounts due and payable and where applicable and subject to the terms of relevant collateral agreements, repossess collateral, including aircraft or other valuable assets. In addition, an event of default or acceleration of indebtedness under one agreement could result in an event of default under other of our financing agreements. The acceleration of significant indebtedness could require us to seek to renegotiate, repay or refinance the obligations under our financing arrangements, and there is no assurance that such renegotiation or refinancing efforts would be successful.

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

An aircraft crash or other serious accident involving our aircraft or those of our airline partners could expose Delta to significant liability. Although we believe that our insurance coverage is appropriate, we may be forced to bear substantial losses from an accident in the event that the coverage was not sufficient.

In addition, any accident involving an aircraft that we operate or an aircraft that is operated by an airline that is one of our regional carriers or codeshare, alliance or joint venture partners could create a negative public perception about safety and reliability for aviation authorities and the public, which could harm our reputation, resulting in air travelers being reluctant to fly on our aircraft and therefore harm our business.

Breaches or lapses in the security of the technology systems we use and rely on could compromise the data stored within them and consequently expose us to liability, disruption to our operations and damage to our reputation, any or all of which could have a material adverse effect on our business.

As a regular part of our ordinary business operations, we collect and store sensitive data, including information necessary for our operations, personal information of our passengers and employees and information of our business partners. The secure operation of our networks and systems, and those of our business partners and service providers, on which this type of information is stored, processed and maintained is critical to our business operations and strategy. These networks and systems are subject to an increasing threat of continually evolving cybersecurity risks, which we must manage.

We expect unauthorized parties to continue attempting to gain access to our systems or information, or those of our business partners and service providers, including through fraud or other means of deception, or introduction of malicious code, such as malware and ransomware. If successful, these actions could cause harm to our computer systems or compromise data stored on our computer networks or those of our business partners and service providers, potentially causing us to incur remedial, legal and other costs, which could be material. Hardware or software we or our business partners or service providers develop, acquire or use in connection with our systems may contain defects that could unexpectedly compromise information security.

The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving and may be difficult to anticipate or to detect for long periods of time. As a result of these types of risks and regular attacks on our systems, we regularly review and update procedures and processes to prevent and protect against unauthorized access to our systems and information and inadvertent misuse of data. In addition to continuously assessing risk and reviewing our procedures, processes and technologies, we continue to educate our people about these risks and to monitor, review and update the process and control requirements we expect third parties and vendors to leverage and implement for the protection of information regarding our customers, employees or business partners that is in their care. However, the constantly changing nature of the threats means that we may not be able to prevent all information security breaches or misuse of data. In addition, as cybercriminals become more sophisticated, the cost of proactive defensive measures continues to increase.

We are also subject to evolving global privacy and security regulatory obligations and an increasing customer focus on privacy issues and data security in the United States and abroad, as well as to geopolitical risks associated with international data transfer. The compromise of our or our business partners' or service providers' technology systems resulting in the loss, interruption, disclosure, misappropriation of, or access to, our information or that of our customers, employees or business partners could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy and security of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business. The costs to remediate breaches and similar system compromises that do occur could be material.

Disruptions of our information technology infrastructure could interfere with our operations, possibly having a material adverse effect on our business.

Disruptions in our information technology capability could result from a technology error or failure impacting our internal systems, whether hosted internally at our data centers or externally at third-party locations, or large scale external interruption in technology infrastructure support on which we depend, such as power, telecommunications or the internet. The operation of our technology systems and the use of related data may also be vulnerable to a variety of other sources of interruption, including natural disasters, terrorist attacks, computer viruses, hackers and other security issues. A significant individual, sustained or repeated failure of our information technology infrastructure, including third-party networks we utilize and on which we depend, could impact our operations and our customer service, result in increased costs and damage our reputation. While we have in place initiatives to prevent disruptions and disaster recovery plans and continue to invest in improvements to these initiatives and plans, we have previously experienced infrastructure disruptions and these measures may not be adequate to prevent a future business disruption and any material adverse financial and reputational consequences to our business as recent outages of large cloud providers whom we rely on has shown.

Failure of the technology we use to perform effectively could have a material adverse effect on our business.

We are dependent on technology initiatives and capabilities to provide customer service and operational effectiveness in order to compete in the current business environment. For example, substantially all of our tickets are issued to our customers as electronic tickets, and a growing number of our customers check in using our website, airport kiosks and our FlyDelta mobile application. We have made and continue to make significant investments in customer facing technology such as delta.com, the FlyDelta mobile application, in-flight wireless internet, check-in kiosks, customer service applications, application of biometric technology, airport information displays and related initiatives, including security for these initiatives. We are also investing in significant upgrades to technology infrastructure and other supporting systems and transitioning to cloud-based technologies. The performance, reliability and security of the technology we use are critical to our ability to serve customers. If this technology does not perform effectively, including as a result of the implementation or integration of new or upgraded technologies or systems, our business and operations would be negatively affected, which could be material.

Our commercial relationships with airlines in other parts of the world and the investments that we have in certain of those carriers may not produce the results or returns we expect.

An important part of our strategy to expand our global network has been to develop and expand strategic relationships with a number of airlines through joint ventures and other forms of cooperation and support, including equity investments. We expect to continue exploring ways to deepen our alliance relationships with other carriers as part of our global business strategy. These relationships and investments involve significant challenges and risks, including that joint ventures or cooperation agreements such as our agreement with Aeroméxico may be subject to ongoing review and renewal requirements and may not generate the expected financial results, or that we may not realize a satisfactory return on our investments. We are dependent on these other carriers for significant aspects of our network in the regions in which they operate.

The COVID-19 pandemic significantly impacted the operations of our airline partners and, similar public health threats that may arise could adversely affect the expansion of strategic relationships in the future. These carriers have incurred significant financial losses as a result of the pandemic, and some were forced to seek protection under applicable bankruptcy laws. For example, following the onset of the pandemic, Grupo Aeroméxico and LATAM filed voluntary proceedings to reorganize under Chapter 11 of the United States bankruptcy code ("bankruptcy process"), from which they successfully emerged in the March 2022 quarter and the December 2022 quarter, respectively, and Virgin Atlantic undertook a voluntary recapitalization process in the UK that was completed in September 2020. During the December 2021 quarter, we announced additional investments in each of these carriers. As discussed further in Note 4 of the Notes to the Consolidated Financial Statements, due to the effects of the COVID-19 pandemic, the carrying value of our equity investments in these three carriers was reduced to zero prior to our additional investments. In the future if any airline partner that may seek to restructure or recapitalize is unable to do so successfully or if our commercial arrangements with any of these partners are not maintained, any investments or other assets associated with those partners could become impaired, and our business and results of operations could be materially adversely affected.

A significant disruption in, or other problems with respect to, the operations or performance of third parties on which we rely, including third-party carriers, could have a material adverse effect on our business and results of operations.

We rely on the operations and performance of third parties in a number of areas that are important to our business, including third-party regional carriers, international alliance partners and ground operation providers at some airports. While we have agreements with certain of these third parties that define expected service performance, we do not have direct control over their operations. To the extent that the operations of a third-party on which we rely is significantly disrupted or if these third parties experience significant performance issues (including failing to satisfy any applicable performance standards) or fail to meet any applicable compliance requirements, our revenue may be reduced, our expenses may be increased and our reputation may be harmed, any or all of which could result in a material adverse effect on our business and results of operations.

Some regional carriers, including our wholly owned subsidiary, Endeavor, are facing a shortage of qualified pilots and experiencing operating constraints as a result. If this shortage becomes more widespread, third-party regional carriers may not be able to comply with their obligations to us, and Endeavor may not be able to perform as expected, which could reduce our expected capacity and affect our revenue, resulting in a material adverse effect on our business and results of operations.

We may never realize the full value of our intangible assets or our long-lived assets, causing us to record impairments that may materially adversely affect our results of operations.

In accordance with applicable accounting standards, we are required to test our goodwill and other indefinite-lived intangible assets for impairment on an annual basis, or more frequently where there is an indication of impairment. In addition, we are required to test certain of our other assets for impairment where there is an indication that an asset may be impaired. During the fiscal year ended December 31, 2020, we recorded significant impairment and related charges resulting from the acceleration of our fleet simplification strategy and the write-down of investments in certain airline partners, stemming from the impact of the COVID-19 pandemic.

We may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible or intangible assets, such as aircraft, route authorities, and airport slots, unfavorable trends in forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. Further impairment charges could have a material adverse effect on our results of operations.

Employee strikes and other labor-related disruptions may have a material adverse effect on our operations.

Our business is labor intensive, utilizing large numbers of pilots, flight attendants, aircraft maintenance technicians, ground support personnel and other personnel. As of December 31, 2022, 20% of our workforce, primarily pilots, was unionized. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. The Railway Labor Act generally prohibits strikes or other types of self-help actions both before and after a collective bargaining agreement becomes amendable, unless and until the collective bargaining processes required by the Railway Labor Act have been exhausted. The collective bargaining agreement with our pilots became amendable on December 31, 2019. In January 2023, a tentative agreement was ratified by ALPA’s Delta Master Executive Council ("MEC") and is subject to ratification by Delta’s pilots through a vote that is scheduled to close on March 1, 2023. Separately, the NLRA governs Monroe’s relations with the union representing their employees, which generally allows self help after a collective bargaining agreement expires.

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

Our results can fluctuate due to seasonality and other factors.

Our results of operations are impacted by a number of factors including seasonality and changing economic and other conditions beyond our control. Demand for air travel is typically higher in the June and September quarters, particularly in our international markets, because there is more vacation travel during these periods than during the remainder of the year. The seasonal shifting of demand causes our financial results to vary on a quarterly basis. Other factors that may affect our results include severe weather conditions and natural disasters (or other environmental events), which could significantly disrupt service and create air traffic control problems. In addition, increases in the frequency, severity or duration of thunderstorms, hurricanes, typhoons, floods or other severe weather events, including from changes in the global climate and rising global temperatures, could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in loss of revenue and higher costs. Because of fluctuations in our results from seasonality and other factors, results of operations for a historical period are not necessarily indicative of results of operations for a future period and results of operations for an interim period are not necessarily indicative of results of operations for an entire year.

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

Our results of operations are significantly impacted by changes in the price of aircraft fuel. Over the last decade, fuel prices have been highly volatile and at times have increased substantially. From 2020 to 2022, our average annual fuel price per gallon has increased from $1.64 to $3.36 with significant volatility during that period.

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

The competitive nature of the airline industry may affect our ability to pass along rapidly increasing fuel costs to our customers. In addition, because passengers often purchase tickets well in advance of their travel, a significant rapid increase in fuel price may result in the fare charged not covering that increase. At times in the past, we often were not able to increase our fares to offset fully the effect of increases in fuel costs, and we may not be able to do so in the future.

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

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

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

If Monroe's cost of producing non-jet fuel products exceeds the value it receives for those products, the financial benefits we expect to achieve through the ownership of the refinery and our consolidated results of operations could be materially adversely affected.

An environmental or other incident associated with the operation of the Monroe refinery could have a material adverse effect on our consolidated financial results if insurance is unable to cover a significant liability. In addition, such an incident could damage our reputation.

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

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

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

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

Because Monroe is able to blend only a small amount of renewable fuels, it must purchase the majority of its RINs requirement in the secondary market. As a result, Monroe is exposed to the market price of RINs. Market prices for RINs have been volatile, marked by periods of sharp increases and decreases primarily in response to speculation about what the EPA and/or the U.S. Congress will do with respect to compliance obligations. We cannot predict these actions or the future prices of RINs. Monroe’s purchase of RINs at elevated prices in the future could have a material impact on our consolidated results of operations and cash flows.

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

Significant damage to our reputation and brand, including as a result of significant adverse publicity or inability to achieve certain sustainability goals, could materially adversely affect our business and financial results.

Maintaining our reputation and global brand is critical to our business. We operate in a highly visible and public environment with significant real-time exposure to traditional and social media. Adverse publicity, whether justified or not, can rapidly spread, including through social or digital media. In particular, passengers can use social media to portray interactions with Delta, without context, in a manner that can be quickly and broadly disseminated. To the extent we are unable to respond in a timely and appropriate manner to adverse publicity, our brand and reputation may be damaged.

Our reputation and brand could also be adversely impacted by, among other things, failure to make progress toward and achieve our environmental sustainability and diversity, equity and inclusion goals, as well as public pressure from investors or policy groups to change our policies or negative public perception of the environmental impact of air travel. For example, we have established ambitious goals to reduce our greenhouse gas emissions, with the long-term goal to achieve net zero greenhouse gas emissions across our airline operation and its value chain by no later than 2050, subject to validation of this long-term goal by SBTi (for which we cannot predict if and when the validation will occur). Achieving these ambitious goals will require significant capital investment from manufacturers and other stakeholders, as we are unable to achieve these goals using our existing fleet, current technologies and available fuel sources. We are continuing to develop our climate strategy and transition plan; however, our ability to execute on such a plan is subject to substantial risks and uncertainties, as it is dependent on the actions of governments and third parties and will require, among other things, significant capital investment, including from third parties, research and development from manufacturers and other stakeholders, along with government policies and incentives to reduce the cost, and incent production, of SAF and other technologies that are not presently in existence or available at scale. Significant damage to our reputation and brand could have a material adverse effect on our business and financial results, including as a result of litigation related to any of these matters.

If we lose senior management and other key employees and they are not replaced by individuals with comparable skills, or we otherwise fail to maintain our company culture, our business and results of operations could be materially adversely affected.

We are dependent on the experience and industry knowledge of our officers and other key employees to design and execute our business plans. If we experience a substantial turnover in our leadership and other key employees and we are not able to replace these persons with individuals with comparable skills, or we otherwise fail to maintain our company culture, our performance could be materially adversely impacted. Furthermore, we may be unable to attract and retain additional qualified senior management and other key personnel as needed in the future.

Risk Factors Relating to the Airline Industry

Disease outbreaks, such as the COVID-19 pandemic or similar public health threats that may arise in the future, and measures implemented to combat them have had, and may in the future have, a material adverse effect on our business.

The COVID-19 pandemic, the measures governments and private parties implemented in order to stem its spread, and the general concern about the virus among travelers had a material adverse effect on the demand for worldwide air travel compared to historical levels, and consequently upon our business. Similar disease outbreaks or public health threats that may arise in the future could have similarly adverse effects on our business.

Among other effects of the COVID-19 pandemic that affected air travel and our business, the pandemic led governments both in the United States and abroad to issue travel restriction or advisories, and to implement quarantines and health-related curfews or "shelter in place" orders; led employers to instruct employees to work from home and/or otherwise dissuaded or restricted air travel; caused business conventions, conferences, concerts, sporting events and similar events to be canceled or held with limited or no attendees; and discouraged travelers from air travel to destinations where COVID-19 was particularly virulent or due to possible enhanced COVID-19 related screening measures. These pandemic-related effects negatively impacted air travel in general, which in turn materially adversely affected our revenues, results of operations and financial condition for an extended period of time.

Our operations have been, and could in the future be, negatively affected further if our employees are quarantined or sickened as a result of exposure to a disease outbreak such as COVID-19, or as a result of a similar public health crisis, or if they are subject to additional governmental curfews or "shelter in place" health orders or similar restrictions. Measures restricting the ability of our airport or in-flight employees to come to work negatively impact our service or operations, all of which could negatively affect our business.

We are unable to predict the extent to which disease outbreaks or other public health threats that may arise in the future may change our customers' behavior or travel patterns, which could have a material impact on our business. The degree to which any future disease outbreaks or public health threats may impact our revenues, results of operations and financial condition is uncertain and will depend on future developments.

Terrorist attacks, geopolitical conflict or security events may adversely affect our business, financial condition and results of operations.

Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, could have a significant adverse effect on our business. Despite significant security measures at airports and airlines, the airline industry remains a high profile target for terrorist groups. We rely on government provided threat intelligence and utilize private sources to constantly monitor for threats from terrorist groups and individuals, including from violent extremists both internationally and domestically, with respect to direct threats against our operations and in ways not directly related to the airline industry. In addition, the impact on our operations of avoiding areas of the world, including airspace, in which there are geopolitical conflicts and the targeting of commercial aircraft by parties to those conflicts can be significant. Security events, primarily from external sources but also from potential insider threats, also pose a significant risk to our passenger and cargo operations. These events could include random acts of violence and could occur in public areas that we cannot control.

Terrorist attacks, geopolitical conflict or security events, or the fear or threat of any of these events, even if not made directly on or involving the airline industry, could have a significant negative impact on us by discouraging passengers from flying, leading to decreased ticket sales and increased refunds. In addition, potential costs from these types of events include increased security costs, impacts from avoiding flight paths over areas in which conflict is occurring or could occur, such as flight redirections or cancellations, reputational harm and other costs. If any or all of these types of events occur, they could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

Our international operations are subject to competition from both foreign and domestic carriers, including from point-to-point carriers on certain international routes. Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional European, Asian and Latin American gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships.

In particular, several joint ventures among U.S. and foreign carriers, including several of our joint ventures as well as those of our competitors, have received grants of antitrust immunity allowing the participating carriers to coordinate networks, schedules, pricing, sales and inventory. In addition, alliances formed by domestic and foreign carriers, including SkyTeam, the Star Alliance (among United Airlines, Lufthansa German Airlines, Air Canada and others) and the oneworld alliance (among American Airlines, British Airways, Qantas and others) have enhanced competition in international markets.

The airline industry also faces competition from surface transportation and technological alternatives such as virtual meetings, teleconferencing or videoconferencing, and the intensity of this competition has likely increased, at least in the near term, as a result of the COVID-19 pandemic. Increased competition in both the domestic and international markets may have a material adverse effect on our business, financial condition and results of operations.

Extended interruptions or disruptions in service at major airports in which we operate or significant problems associated with a type of aircraft or engine we operate could have a material adverse effect on our financial condition and results of operations.

The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An interruption or disruption at an airport where we have significant operations, whether resulting from air traffic control delays, failure of computer systems or technology infrastructure, weather events or natural disasters, or performance issues from third-party service providers, if sustained for an extended period of time, could have a material adverse effect on our business, financial condition and results of operations.

Similarly, the airline industry is heavily dependent on a limited number of aircraft and engine manufacturers whose products are subject to extensive regulatory requirements. Any significant problems associated with an aircraft or engine type that we operate, including new aircraft or engine types, such as design defects, mechanical problems, contractual performance by the manufacturers or adverse perception by the public leading to customer avoidance, or adverse actions by the FAA resulting in limitations on use or grounding could have a negative impact on our operations if we are not able to substitute or replace the affected aircraft or engine type. Any of the foregoing could have a material adverse effect on our financial condition and results of operations.

The airline industry is subject to extensive government regulation, which is costly and could materially adversely affect our business.

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs and may have material adverse effects on our business. For instance, the FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that necessitate significant expenditures and could carry operational implications. We expect to continue incurring significant expenses to comply with the FAA's regulations. In addition, a directive or other regulation that has a significant operational impact on us could have a material adverse impact on our financial results.

Other laws, regulations, taxes and airport rates and charges have also been imposed from time to time that significantly increase the cost of airline operations, reduce revenues or otherwise impact our business. The industry is heavily taxed. Additional taxes and fees, if implemented, could negatively impact our results of operations.

Airport slot access is subject to government regulation and changes in slot regulations or allocations could impose a significant cost on the airlines operating in airports subject to such regulations or allocations or otherwise adversely affect an airline's business. Certain of our hubs are among the most congested airports in the United States and have been, and could in the future be, the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. Air traffic control inefficiencies can also enhance these pressures.

In addition, inefficiencies in the U.S. air traffic control system, which is regulated by the FAA, can result in delays and disruptions of air traffic, especially during peak travel periods in certain congested markets. Failure to implement measures to improve the air traffic control system could lead to increased delays and inefficiencies in flight operations as demand for U.S. air travel increases, having a material adverse effect on our operations. Failure to update the air traffic control system in a timely manner, and the substantial funding requirements of an updated system that may be imposed on air carriers, may have an adverse impact on our financial condition and results of operations.

As an international carrier, we are subject to a wide variety of U.S. and foreign laws that affect trade, including tariff and trade policies, export and import requirements, taxes, monetary policies and other restrictions and charges. In particular, the imposition of significant tariffs with respect to aircraft that we are not able to mitigate could substantially increase our costs, which in turn could have a material adverse effect on our financial results.

In addition, some of our operations are in high-risk legal compliance environments. Failure to comply with trade sanctions and restrictions, the Foreign Corrupt Practices Act (the "FCPA") and similar anti-bribery laws in non-U.S. jurisdictions, as well as other applicable laws or regulations could result in litigation, assessment of damages, imposition of penalties or other consequences, any or all of which could harm our reputation and have an adverse effect on our financial results. In certain circumstances, we also may be subject to consequences of the failure of our airline partners to comply with laws and regulations, including U.S. laws to which they may be subject such as the FCPA.

We and other U.S. carriers are subject to U.S. and foreign laws regarding privacy of passenger and employee data that are not consistent in all countries in which we operate and which are continuously evolving, requiring ongoing monitoring and updates to our privacy and information security programs. Although we dedicate significant resources to manage compliance with global privacy and information security obligations, this challenging regulatory environment may pose material risks to our business, including increased operational burdens and costs, regulatory enforcement, and legal claims or proceedings.

The airline industry is subject to many forms of environmental regulation, including but not limited to increased regulation to reduce emissions and other risks associated with climate change. The cost of compliance with more stringent environmental regulations, failure to comply with existing or future regulations or failure to otherwise manage the risks of climate change effectively could have a material adverse effect on our business.

Many aspects of our operations are subject to evolving and increasingly stringent federal, state, local and international laws governing the protection of the environment. Compliance with existing and future environmental laws and regulations could require capital investment and increase operational costs, and violations can lead to significant fines and penalties and reputational harm.

For example, in 2022 the EPA proposed regulations to define certain per- and polyfluoroalkyl substances ("PFAS") as "hazardous substances" under CERCLA. Numerous states have adopted regulations governing these substances as well. PFAS are used in a wide variety of consumer and industrial products, including the firefighting foams used to extinguish fuel-based fires at airports and refineries. EPA's proposed rule, once finalized, could subject airports, airlines, and refineries, among others, to potential liability for cleanup of historical PFAS contamination associated with use of PFAS-containing firefighting foam. The ultimate impact and associated cost to Delta of this rulemaking cannot be predicted at this time.

Future regulatory action concerning climate change, aircraft emissions and noise emissions could have a significant effect on the airline industry. In order to address aircraft carbon dioxide emissions, the International Civil Aviation Organization, a United Nations specialized agency, formally adopted a global, market-based emission offset program known as CORSIA. This program establishes a goal for the aviation industry to achieve carbon-neutral growth in international aviation beginning in 2021 through the use of carbon offsets and/or lower carbon aviation fuel. The baseline for establishing airlines' obligations under CORSIA was originally set as an average of 2019 and 2020 emissions. However, given the COVID-19 pandemic and resulting unprecedented reduction in international travel, in June 2020 ICAO removed 2020 from the baseline calculation for the first phase of CORSIA, from 2021 to 2023. In 2022, ICAO established a new, more stringent CORSIA baseline of 85% of 2019, which will apply starting in 2024 through 2035. Certain CORSIA program details remain to be developed and could potentially be affected by political developments in participating countries or the results of the pilot phase of the program, and thus the impact of CORSIA cannot be predicted at this time. However, CORSIA is expected to increase operating costs for airlines that operate internationally.

In addition to CORSIA, we may face a patchwork of regulation of aircraft emissions in the U.S. and abroad and could become subject to further taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions. For example, in 2021 the European Commission proposed legislation that would expand the reach of the EU ETS to include flights into and out of the European Economic Area beginning in 2027 under certain circumstances, increase the stringency of the program, and establish a sustainable aviation fuel blending mandate for aviation fuel suppliers, among other requirements. In 2022, the EU reached a deal on proposed legislation that would exclude extra-EU flights from the scope of EU ETS until 2027, however that deal has not yet been approved. The EU is expected to finalize a SAF mandate on fuel suppliers in 2023 and individual EU member states have been developing their own requirements, including for example, separate SAF mandates in France and Sweden in 2022. In the United States various exploratory discussions continue around approaches to address climate change, such as carbon pricing, without a clear legislative path forward. Additional regulation could result in taxation, regulatory or permitting requirements from multiple jurisdictions for the same operations and significant costs for the airline industry, including Delta. In addition to direct costs, such regulation could result in increased fuel costs passed through from fuel suppliers affected by any such regulations. While the specific nature of future actions is hard to predict, new laws or regulations related to environmental matters adopted in the U.S. or other countries could impose significant additional costs on or otherwise adversely affect our operations. Certain airports have also adopted, and others could in the future adopt, greenhouse gas emission or climate-related goals and requirements that could impact our operations or require us to make changes or investments in our infrastructure.

In addition to risks from potential changes to environmental regulation and policy, the transition to lower-carbon technologies, such as SAF, or changes in consumer preferences resulting from a negative perception of the environmental impact of air travel could materially adversely affect our business and financial results. For example, lower-carbon technologies such as SAF and direct air capture technologies are currently not available at scale and may take decades to develop, and the cost to transition to them could be prohibitively expensive without appropriate government policies and incentives in place. As more businesses have publicly announced environmental sustainability goals, the cost of carbon offsets has also increased significantly and will likely continue to do so.

Because of the global nature of our business, unfavorable economic or political conditions in the markets in which we operate or volatility in currency exchange rates could have a material adverse effect on our business, financial condition and results of operations.

As a result of the discretionary nature of air travel, the airline industry has been cyclical and particularly sensitive to changes in economic conditions. Because we operate globally, our business is subject to economic and political conditions throughout the world. During periods of unfavorable or volatile economic conditions in the economy in the U.S. or abroad, including as a result of the COVID-19 pandemic and the worldwide response to it, demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business using technological alternatives. If unfavorable economic conditions occur, particularly for an extended period, our business, financial condition and results of operations may be adversely affected. In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies, and the imposition of exchange controls or other currency restrictions, may have a material adverse effect on our liquidity, financial conditions and results of operations.

Our international operations are an important part of our route network. Political disruptions and instability around the world can negatively impact the demand and network availability for air travel. Additionally, any deterioration in global trade relations, such as increased tariffs or other trade barriers, could result in a decrease in the demand for international air travel.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Flight Equipment

Our operating aircraft fleet, purchase commitments and options at December 31, 2022 are summarized in the following table.

Mainline aircraft information by fleet type

	Current Fleet[1]					Commitments	
Fleet Type	Owned	Finance Lease	Operating Lease	Total	Average Age (Years)	Purchase	Options
A220-100	41	4	—	45	3.0	—	—
A220-300	14	—	—	14	1.5	60	26
A319-100	57	—	—	57	20.9	—	—
A320-200	61	—	—	61	27.3	—	—
A321-200	69	22	36	127	4.0	—	—
A321-200neo	21	—	—	21	0.3	134	70
A330-200	11	—	—	11	17.8	—	—
A330-300	28	—	3	31	14.0	—	—
A330-900neo	12	3	5	20	1.6	18	—
A350-900	17	—	11	28	4.1	16	—
B-717-200	10	51	4	65	21.5	—	—
B-737-800	73	4	—	77	21.3	—	—
B-737-900ER	112	2	49	163	7.0	—	—
B-737-10	—	—	—	—	—	100	30
B-757-200	100	—	—	100	25.4	—	—
B-757-300	16	—	—	16	19.9	—	—
B-767-300ER	45	—	—	45	26.8	—	—
B-767-400ER	21	—	—	21	22.0	—	—
Total	708	86	108	902	14.4	328	126

(1) Includes both active and temporarily parked aircraft. Excludes certain aircraft we own or lease that are operated by regional carriers on our behalf shown in the table below.

The following table summarizes the aircraft operated by regional carriers on our behalf at December 31, 2022.

Regional aircraft information by fleet type and carrier

	Fleet Type[1]					
Carrier	CRJ-200	CRJ-700	CRJ-900	Embraer 170	Embraer 175	Total
Endeavor Air, Inc. [2]	26	18	123	—	—	167
SkyWest Airlines, Inc.	—	6	38	—	84	128
Republic Airways, Inc.	—	—	—	11	46	57
Total	26	24	161	11	130	352

(1) Includes both active and temporarily parked aircraft. We own 231 and have operating leases for three of these regional aircraft. The remainder are owned or leased by SkyWest Airlines, Inc. or Republic Airways, Inc.

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

Aircraft Purchase Commitments

As part of a multi-year effort, we have been investing in new aircraft to provide an improved customer experience, greater fuel efficiency that results in reduced carbon emissions, better operating economics and more premium products. Our contractual purchase commitments for additional aircraft as of December 31, 2022 are detailed in the following table:

Aircraft purchase commitments by fleet type

	Delivery in Calendar Years Ending				
Aircraft Purchase Commitments[1]	**2023**	**2024**	**2025**	**After 2025**	**Total**
A220-300	9	15	12	24	60
A321-200neo	28	36	25	45	134
A330-900neo	6	9	3	—	18
A350-900	—	7	6	3	16
B-737-10	—	—	20	80	100
Total	43	67	66	152	328

(1) The timing of these commitments is based on our contractual agreements with the aircraft manufacturers and may be subject to change based on modifications to those agreements or changes in delivery schedules.

Ground Facilities

Airline Operations

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

We own our Atlanta reservations center, other real property in Atlanta and reservations centers in Minot, North Dakota and Chisholm, Minnesota.

Refinery Operations

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

ITEM 3. LEGAL PROCEEDINGS

Capacity Antitrust Litigation

In July 2015, a number of purported class action antitrust lawsuits were filed alleging that Delta, American, United and Southwest had conspired to restrain capacity. The lawsuits were filed in the wake of media reports that the U.S. Department of Justice had served civil investigative demands upon these carriers seeking documents and information relating to this subject. The lawsuits have been consolidated into a single Multi-District Litigation proceeding in the U.S. District Court for the District of Columbia. Our summary judgment motion has been fully briefed and pending since May 2021. We believe the claims in these cases are without merit and have vigorously defended these lawsuits.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Part II

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

Market Information

Our common stock is listed on the New York Stock Exchange ("NYSE") under the trading symbol DAL.

Holders

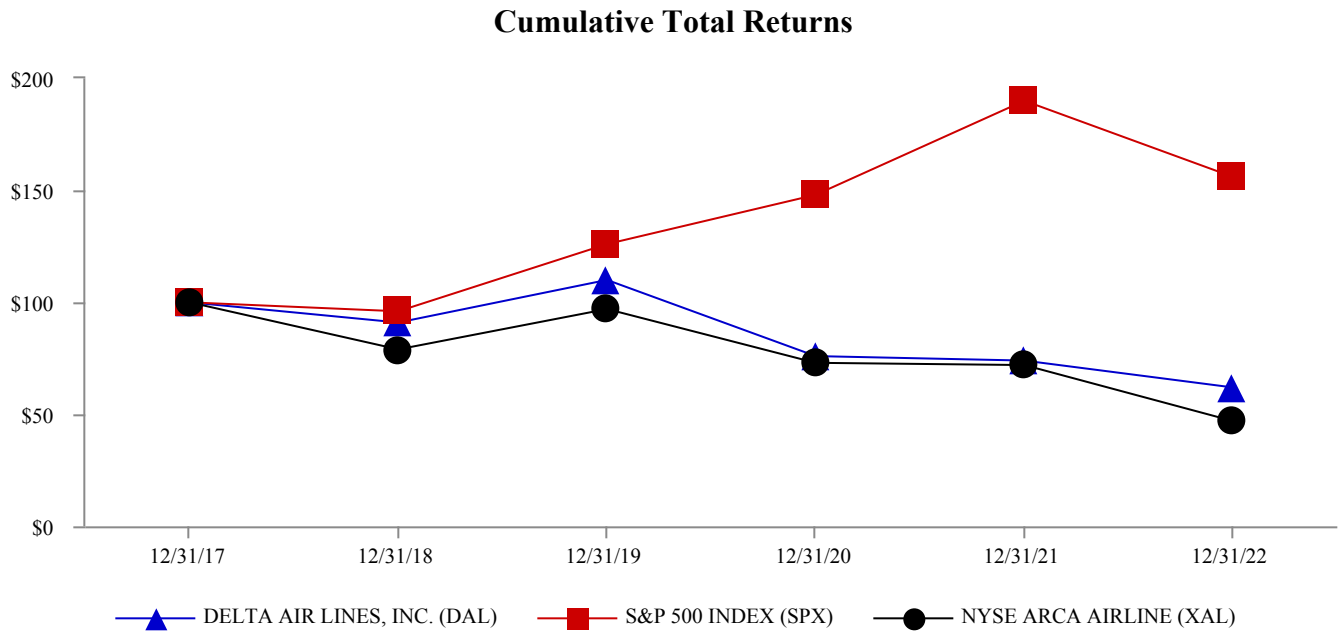
As of January 31, 2023, there were approximately 2,200 holders of record of our common stock.

Dividends

While we have paid cash dividends to holders of our common stock on a quarterly basis, we suspended dividends in March 2020 due to the impact of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") and payroll support program extensions restricted the payment of dividends through September 2022. Future dividend payments will be dependent upon our results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Stock Performance Graph

The following graph compares the cumulative total returns during the period from December 31, 2017 to December 31, 2022 of our common stock to the Standard & Poor's 500 Stock Index and the NYSE ARCA Airline Index. The comparison assumes $100 was invested on December 31, 2017 in each of our common stock and the indices and assumes that all dividends were reinvested.



Issuer Purchases of Equity Securities

The following table presents information with respect to purchases of common stock we made during the December 2022 quarter. The table reflects shares withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. Performance Compensation Plan (the "Plan"). The Plan provides for the withholding of shares to satisfy tax obligations but it does not specify a maximum number of shares that can be withheld for this purpose. The shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

Shares purchased / withheld from employee awards during the December 2022 quarter

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value (in millions) of Shares That May Yet Be Purchased Under the Plan or Programs
October 2022	1,045	$ 28.62	1,045	$ —
November 2022	1,356	$ 34.54	1,356	$ —
December 2022	1,777	$ 34.74	1,777	$ —
Total	4,178		4,178	

ITEM 6. (RESERVED)

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

During 2022, our recovery from the impact of the COVID-19 pandemic continued and is continuing into 2023. Given the drastic and unprecedented impact of the pandemic on our operating results in 2020 and 2021, we believe that a comparison of our results in 2022 to both 2021 and 2019 in this overview section allows for a better understanding of the full impact of the COVID-19 pandemic and the progress of our recovery.

This section of Form 10-K, however, does not address certain items regarding the year ended December 31, 2020. Discussion and analysis of 2020 and year-to-year comparisons between 2021 and 2020 not included in this Form 10-K can be found in "Item 7. Management's Discussion and Analysis" of our Annual Report on Form 10-K for the year ended December 31, 2021. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited Consolidated Financial Statements and the related notes and other financial information as well as the material risk factors included elsewhere in this Annual Report on Form 10-K.

The table below shows certain key financial measures for the years ended December 31, 2022, 2021 and 2019:

	Year Ended December 31,			2022 vs 2021 % Increase (Decrease)	2022 vs 2019 % Increase (Decrease)
(in millions)	2022	2021	2019		
Total operating revenue	$ 50,582	$ 29,899	$ 47,007	69 %	8 %
Total operating expense	46,921	28,013	40,389	67 %	16 %
Operating income	3,661	1,886	6,618	94 %	(45)%
Available seat miles ("ASM" or "capacity")	233,226	194,474	275,379	20 %	(15)%

2022 Financial Overview

Our 2022 operating income was $3.7 billion, an improvement of $1.8 billion compared to 2021, while operating income, adjusted (a non-GAAP financial measure) which excludes restructuring charges and other items was $3.6 billion, an increase of $6.1 billion compared to 2021. The increases in operating income and operating income, adjusted were primarily due to the continued recovery in the demand for air travel during 2022, which resulted in a 69% increase in operating revenue on a 20% increase in system capacity. Operating income in 2021 included a benefit of $4.5 billion from the recognition of payroll support program ("PSP") grants, driving the smaller year-over-year increase than operating income, adjusted, which excluded the grants benefit in 2021.

Our 2022 operating income decreased $3.0 billion compared to 2019 primarily due to an increase in operating costs, including a 35% increase in fuel cost, and lower passenger revenue due to system capacity that was 15% lower as we continued to restore our operations from the effects of the COVID-19 pandemic. Operating income, adjusted (a non-GAAP financial measure) decreased $3.1 billion compared to 2019.

Revenue. Compared to 2021, our 2022 operating revenue increased $20.7 billion, or 69%, primarily due to continued recovery in travel demand from the COVID-19 pandemic and higher refinery sales to third parties. Improvement in premium products revenue resulted from both a shift in the mix of seats on our aircraft following the retirement of certain fleets in 2020 and delivery of new aircraft since that time, as well as incremental increase in demand, particularly from leisure customers.

Compared to 2019, our operating revenue increased $3.6 billion, or 8%, due primarily to higher refinery sales to third parties, partially offset by the revenue impact from 15% lower capacity. We are planning for our 2023 system capacity to fully recover to or exceed 2019 capacity levels.

Operating Expense. Total operating expense increased $18.9 billion, or 67%, compared to 2021, primarily resulting from higher fuel costs, due to both an increase in fuel price and increased consumption as capacity was restored, as well as higher salaries and related costs, higher volume-related expenses associated with the increase in capacity and demand and an increase in expenses related to refinery sales to third parties, reflected in ancillary business and refinery expense. The increase also resulted from $4.5 billion of PSP grants recognized during 2021, which reduced expenses in that year. Total operating expense, adjusted (a non-GAAP financial measure) which excludes expenses related to refinery sales to third parties, contra-expense from the recognition of PSP grants in 2021 and other items, increased $12.8 billion, or 44%, compared to 2021.

Our total operating cost per available seat mile ("CASM") increased 40% to 20.12 cents compared to 2021, primarily due to the higher costs discussed above. Non-fuel unit costs ("CASM-Ex", a non-GAAP financial measure), which excludes fuel, expenses related to refinery sales to third parties, contra-expense from the recognition of PSP grants in 2021 and other items, increased 6% to 12.87 cents.

Total operating expense increased $6.5 billion, or 16%, compared to 2019, primarily resulting from higher fuel costs and an increase in expenses related to refinery sales to third parties. Total operating expense, adjusted (a non-GAAP financial measure) increased $2.0 billion, or 5% compared to 2019.

Our CASM increased 37% compared to 2019, primarily due to the higher costs discussed above and a 15% decrease in capacity. CASM-Ex (a non-GAAP financial measure) increased 18% compared to 2019.

During 2023, we expect non-fuel unit costs to decrease compared to 2022 as we restore our network to pre-pandemic levels, better utilizing our assets. We expect to reduce our investments in rebuilding the network as we progress through the year while improving our operational efficiency and managing inflationary pressures including labor cost increases.

Non-Operating Results. Total non-operating expense was $1.7 billion in 2022, $259 million higher than 2021 primarily due to higher mark-to-market losses on certain of our equity investments, partially offset by reduced losses on our equity method investments, lower interest expense as a result of our debt reduction initiatives and lower losses on extinguishment of debt.

Total non-operating expense was $1.3 billion higher than 2019, primarily due to higher mark-to-market losses on certain of our equity investments and higher interest expense as a result of our increased debt balances due to the financing arrangements entered into during 2020.

Cash Flow. During 2022, operating activities provided cash flows of $6.4 billion, primarily on improving ticket sales, and incurred approximately $6.9 billion of net investing cash outflows, primarily for $6.4 billion of capital expenditures. After adjusting for strategic investments and certain other activities, these results generated $244 million of free cash flow (a non-GAAP financial measure) in 2022.

Also, during 2022 we had cash outflows of approximately $4.5 billion related to repayments of our debt and finance leases, including approximately $2.3 billion for early repayments and the remainder from scheduled maturities. Our cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities ("liquidity") at December 31, 2022 was $9.4 billion.

The non-GAAP financial measures operating income, adjusted, operating expense, adjusted, CASM-Ex and free cash flow used above are defined and reconciled in "Supplemental Information" below.

Results of Operations

Operating Revenue

(in millions) [1]	Year Ended December 31, 2022	Year Ended December 31, 2021	Increase (Decrease)	% Increase (Decrease)
Ticket - Main cabin	$ 20,396	$ 11,393	$ 9,003	79 %
Ticket - Premium products	15,230	7,946	7,284	92 %
Loyalty travel awards	2,898	1,786	1,112	62 %
Travel-related services	1,694	1,394	300	22 %
Total passenger revenue	$ 40,218	$ 22,519	$ 17,699	79 %
Cargo	1,050	1,032	18	2 %
Other	9,314	6,348	2,966	47 %
Total operating revenue	$ 50,582	$ 29,899	$ 20,683	69 %
TRASM (cents)	21.69 ¢	15.37 ¢	6.32 ¢	41 %
Third-party refinery sales [2]	(2.13)	(1.66)	(0.47)	28 %
TRASM, adjusted (cents)	19.55 ¢	13.71 ¢	5.84 ¢	43 %

[1] Total amounts in the table above may not calculate exactly due to rounding.
[2] For additional information on adjustments to TRASM, see "Supplemental Information" below.

Operating Revenue

Our operating revenue increased $20.7 billion, or 69%, compared to the year ended December 31, 2021 due primarily to increased demand in 2022 as a result of the continued recovery from the COVID-19 pandemic and higher third-party refinery sales. The increase in operating revenue, on a 20% increase in system capacity, generated a 41% increase in total revenue per available seat mile ("TRASM") and a 43% increase in TRASM, adjusted (a non-GAAP financial measure) compared to 2021.

See "Refinery Segment" below for additional details on the refinery's operations, including third-party refinery sales recorded in other revenue, during each period.

Passenger Revenue by Geographic Region

(in millions)	Year Ended December 31, 2022	Increase (Decrease) vs. Year Ended December 31, 2021: Passenger Revenue	RPMs (Traffic)	ASMs (Capacity)	Passenger Mile Yield	PRASM	Load Factor
Domestic	$ 30,197	64 %	27 %	10 %	29 %	48 %	11 pts
Atlantic	6,093	243 %	194 %	110 %	17 %	63 %	23 pts
Latin America	2,889	54 %	24 %	(5)%	25 %	62 %	19 pts
Pacific	1,039	159 %	211 %	8 %	(17)%	139 %	44 pts
Total passenger revenue	$ 40,218	79 %	45 %	20 %	23 %	49 %	15 pts

Domestic

Domestic passenger unit revenue ("PRASM") for the year ended December 31, 2022 increased 48% compared to the year ended December 31, 2021 as a result of stronger demand and higher levels of traffic due to the ongoing recovery from the COVID-19 pandemic throughout 2022.

Domestic revenue in 2022 was above 2021 levels and near pre-pandemic levels, even though capacity was not fully restored, as consumers continue to return to travel. We believe spending patterns for services are returning to historical levels compared to spending on goods. We also experienced higher growth in premium product revenue (including Delta One, First Class, Delta Premium Select and Delta Comfort+) compared to main cabin with the delivery of new aircraft that include more premium seat capacity and an increase in premium product yield compared to main cabin, as we see more consumers choosing these premium offerings. In 2023, we expect domestic capacity to be restored to pre-pandemic levels through growth in our core hubs in Atlanta, Minneapolis-St. Paul, Detroit and Salt Lake City.

International

International passenger revenue for the year ended December 31, 2022 increased 147% with capacity up 47% compared to the year ended December 31, 2021, with the Atlantic region experiencing the most significant improvement, as travel to many European destinations resumed or increased.

In November 2021, travel restrictions on most fully vaccinated foreign visitors to the United States were lifted. This action made travel to the U.S. by many foreign nationals possible for the first time in 18 months. Further, in June 2022, the United States lifted its testing requirement for international travel. Both of these changes have had a positive impact on international demand. Most countries in our network have removed or eased travel restrictions, resulting in revenue improvement across all international regions.

The Atlantic region showed strong demand improvement during 2022 as western European countries removed or eased travel restrictions in the first half of 2022. Revenue in this region was near pre-pandemic levels as travelers continue to show increased desire for transatlantic travel. This has been led by demand for leisure destinations such as Italy, Spain and Greece and improving business demand.

Latin America region revenue was also near pre-pandemic levels during 2022, due to continued strong demand for leisure destinations in Mexico, the Caribbean and Central America. Also, in 2022, final regulatory approval was granted for our trans-American joint venture agreement with LATAM. This agreement combines our highly complementary route networks between North and South America, with the goal of providing customers with a seamless travel experience and industry-leading connectivity. Beginning in the December 2022 quarter, we and LATAM began adding capacity on certain Latin America routes and introduced one new route between Los Angeles and São Paulo, Brazil.

The Pacific region continues to be the most impacted by travel restrictions, although we experienced demand improvement during 2022 following South Korea and Australia reopening to international travelers and the recent easing of travel restrictions to Japan. Throughout 2022, China still maintained international testing requirements and travel restrictions, which continued to restrain demand in the Pacific region.

We expect the increasing revenue trends in all international regions to continue into 2023 as demand for international locations continues to be strong and countries continue to reopen and remove or ease remaining travel restrictions. For example, in January 2023 China ended most of its pandemic-related travel restrictions and we expect to increase capacity based on demand during 2023.

Ticket Validity Flexibility

In order to provide our customers more flexibility and time to plan their travel, travel credit holders as of January 2022 and customers who purchased a ticket in 2022 are able to rebook their ticket through December 31, 2023 for travel throughout 2024.

Delta has eliminated change fees for tickets originating in the United States, Canada, Europe and Africa (excluding Basic Economy tickets). A change fee waiver continues to apply for travel originating in Asia and the Pacific. Starting in 2022, Basic Economy tickets may be cancelled for a charge to receive a partial ticket credit.

We estimate the value of ticket breakage and recognize revenue at the scheduled flight date. Our ticket breakage estimates are primarily based on historical experience, ticket contract terms and customers' travel behavior. Given the impact of the COVID-19 pandemic on customer behavior and changes made in ticket validity terms, as well as the elimination of change fees for most tickets, our estimates of revenue that will be recognized from the air traffic liability for unused tickets may vary in future periods.

See Note 2 of the Notes to the Consolidated Financial Statements for additional information about passenger ticket sales.

Other Revenue

(in millions)	Year Ended December 31, 2022	2021	Increase (Decrease)	% Increase (Decrease)
Refinery	$ 4,977	$ 3,229	$ 1,748	54 %
Loyalty program	2,597	1,770	827	47 %
Ancillary businesses	846	793	53	7 %
Miscellaneous	894	556	338	61 %
Total other revenue	$ 9,314	$ 6,348	$ 2,966	47 %

Refinery. This represents refinery sales to third parties. These sales increased $1.7 billion compared to 2021. The increase in third-party refinery sales resulted from higher pricing and production during 2022 compared to 2021. See "Refinery Segment" below for additional details on the refinery's operations, including third-party refinery sales recorded in other revenue, during each period.

Loyalty Program. This relates to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-travel awards. These revenues are mainly driven by customer spend on American Express cards and new cardholder acquisitions. On continued strength in co-brand card spend and card acquisitions, revenues from our relationship with American Express increased in 2022 compared to 2021.

Ancillary Businesses. This includes aircraft maintenance services we provide to third parties and our vacation wholesale operations.

Miscellaneous. This is primarily composed of lounge access, including access provided to certain American Express cardholders, and codeshare revenues. Compared to 2021, these transactions have increased due to the ongoing recovery of our business that continued to materialize in 2022. Our network of Delta Sky Club lounges was fully reopened by the end of July 2021 after some lounges temporarily closed at the onset of the pandemic in 2020.

Operating Expense

(in millions)	Year Ended December 31, 2022	2021	Increase (Decrease)	% Increase (Decrease)
Salaries and related costs	$ 11,902	$ 9,728	$ 2,174	22 %
Aircraft fuel and related taxes	11,482	5,633	5,849	104 %
Ancillary businesses and refinery	5,756	3,957	1,799	45 %
Contracted services	3,345	2,420	925	38 %
Landing fees and other rents	2,181	2,019	162	8 %
Depreciation and amortization	2,107	1,998	109	5 %
Regional carrier expense	2,051	1,736	315	18 %
Aircraft maintenance materials and outside repairs	1,982	1,401	581	41 %
Passenger commissions and other selling expenses	1,891	953	938	98 %
Passenger service	1,453	756	697	92 %
Profit sharing	563	108	455	421 %
Aircraft rent	508	430	78	18 %
Restructuring charges	(124)	(19)	(105)	553 %
Government grant recognition	—	(4,512)	4,512	(100)%
Other	1,824	1,405	419	30 %
Total operating expense	$ 46,921	$ 28,013	$ 18,908	67 %

During 2021, travel demand began to recover from the low levels experienced during the height of the COVID-19 pandemic. This recovery in demand continued to accelerate during 2022. As a result, operating expenses increased in conjunction with the increases in demand and capacity discussed above. The continued restoration of our operations was the primary driver for the increases in most operating expense line items, particularly contracted services, aircraft maintenance materials and outside repairs, passenger commissions and other selling expenses and passenger service. Other year-over-year fluctuations are discussed below.

Salaries and Related Costs. We hired approximately 25,000 employees during 2022 principally in flight operations, in-flight service, reservations and customer care, TechOps and airport customer service, in order to support our operations as demand and capacity returned. These hiring actions and a 4% base pay increase effective May 1, 2022 for eligible employees resulted in the increase in salaries and related costs in 2022 compared to 2021. The increase also results from the ending of the voluntary unpaid leave of absence program we offered in response to the COVID-19 pandemic during 2021. During 2022, we no longer offered these leaves of absence as the program terminated in September 2021. In early 2023, we announced a 5% base pay increase for eligible employees effective April 1, 2023.

Delta and ALPA reached an Agreement in Principle on a new collective bargaining agreement in December 2022. In January 2023, a tentative agreement was ratified by ALPA's Delta Master Executive Council ("MEC") and is subject to ratification by Delta's pilots through a vote that is scheduled to close on March 1, 2023. In addition to various work rule changes and an 18% pay rate increase in 2023, the tentative agreement includes a provision for a one-time payment of approximately $700 million upon pilot ratification. As voting on the tentative agreement has not closed and there is significant uncertainty about the outcome of this process, we have not accrued for this one-time payment as of December 31, 2022.

Aircraft Fuel and Related Taxes. Fuel expense increased $5.8 billion compared to 2021 primarily due to a 78% increase in the market price of jet fuel and a 23% increase in consumption as capacity was restored.

Additionally, during 2022, we purchased and retired $116 million of carbon offsets which relate to a portion of our airline segment's 2021 and March 2022 quarter carbon emissions. During 2021, we purchased and retired $95 million of carbon offsets, which related to a portion of our airline segment's 2020 and 2021 carbon emissions. In the table below, these costs are shown in the carbon offset costs line item. As we continue to work on accelerating our long-term, net-zero greenhouse gas emissions goal, our vision of the path forward will require multiple initiatives, centered on a long-term strategy of decarbonization; we therefore expect substantially all of our investment going forward will be focused on solutions other than carbon offsets.

Fuel expense and average price per gallon

	Year Ended December 31,			Average Price Per Gallon		
				Year Ended December 31,		
(in millions, except per gallon data)	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)
Fuel purchase cost [1]	$ 12,114	$ 5,527	$ 6,587	$ 3.55	$ 1.99	$ 1.56
Carbon offset costs	116	95	21	0.03	0.03	—
Fuel hedge impact	29	9	20	0.01	—	0.01
Refinery segment impact	(777)	2	(779)	(0.23)	—	(0.23)
Total fuel expense	$ 11,482	$ 5,633	$ 5,849	$ 3.36	$ 2.02	$ 1.34

[1] Market price for jet fuel at airport locations, including related taxes and transportation costs.

Ancillary Businesses and Refinery. Ancillary businesses and refinery includes expenses associated with refinery sales to third parties, aircraft maintenance services we provide to third parties and our vacation wholesale operations. Increased expenses were primarily related to refinery sales to third parties, which increased $1.7 billion compared to 2021. The increase compared to 2021 was driven by higher pricing and production during 2022. The cost of aircraft maintenance services we provide to third parties increased compared to 2021 due to the increase in flights and aircraft operated during 2022.

Regional Carrier Expense. Regional carrier expense increased compared to 2021 due to an increase in contract carrier rates and wages, while capacity was constrained due to a shortage of regional jet pilots.

Restructuring Charges. During 2020, we recorded restructuring charges of $8.2 billion for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. In the years ended December 31, 2022 and 2021, we recognized $124 million and $19 million, respectively, of adjustments to certain of those restructuring charges, representing changes in our estimates or the outcome of contract negotiations. See Note 15 of the Notes to the Consolidated Financial Statements for additional information about the restructuring charges recorded in 2020.

Profit Sharing. Profit sharing increased by $455 million during 2022 due to higher profit during the year. Our profit sharing program pays 10% to all eligible employees for the first $2.5 billion of annual profit, as defined by the terms of the program, and 20% of annual profit above $2.5 billion. For the year ended December 31, 2021, we recorded a special profit sharing expense of $108 million, based on the adjusted pre-tax profit earned during the second half of the year, to recognize the extraordinary efforts of our employees through the pandemic.

Government Grant Recognition. During the year ended December 31, 2021, we received a total of $6.4 billion under PSP agreements with the U.S. Department of the Treasury, which we were required to use exclusively for the payment of employee wages, salaries and benefits. The support payments included grants totaling $4.5 billion that were recognized as contra-expense in 2021 over the period that the funds were used.

Non-Operating Results

(in millions)	Year Ended December 31, 2022	2021	Favorable (Unfavorable)
Interest expense, net	$ (1,029)	$ (1,279)	$ 250
Impairments and equity method results	(20)	(337)	317
Gain/(loss) on investments, net	(783)	56	(839)
Loss on extinguishment of debt	(100)	(319)	219
Pension and related benefit	292	451	(159)
Miscellaneous, net	(107)	(60)	(47)
Total non-operating expense, net	$ (1,747)	$ (1,488)	$ (259)

Interest expense, net. Interest expense, net includes interest expense and interest income. This decreased as compared to 2021 as a result of our debt reduction initiatives during 2021 and 2022. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on our debt reduction initiatives. We are reducing the total amount of interest expense by pre-paying our debt in addition to periodic amortization payments and scheduled maturities. During 2021, we made payments of approximately $5.8 billion related to our debt and finance leases, which included approximately $3.8 billion for early repayments. We have continued to pay down our debt during 2022 with $4.5 billion of payments on debt and finance lease obligations, including early repayment activities of $1.5 billion of certain notes through a cash tender offer in the September 2022 quarter and $778 million in principal for the early repurchase of various secured and unsecured notes through repurchases on the open market. We will continue to seek opportunities to pre-pay our debt, in addition to periodic amortization payments and scheduled maturities, during 2023 and beyond.

Impairments and equity method results. Equity method results in 2022 consist of our share of Aeroméxico's net results and in 2021 reflected our share of Virgin Atlantic's net results. See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments.

Gain/(loss) on investments, net. See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments measured at fair value on a recurring basis.

Loss on extinguishment of debt. Loss on extinguishment of debt reflects the losses incurred in the early repayment of debt referenced above. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on the early repayment of debt.

Pension and related benefit. Pension and related benefit reflects the net periodic benefit/(cost) of our pension and other postretirement and postemployment benefit plans. Based on our funded status as of December 31, 2021, we modified the strategic asset allocation mix in 2022 to reduce the investment risk of the portfolio. Based on the portfolio's risk profile, we lowered the weighted average expected long-term rate of return on our defined benefit pension plan assets for 2022 net periodic benefit cost to 7.00%. See Note 9 of the Notes to the Consolidated Financial Statements for additional information on our employee benefit plans.

Miscellaneous, net. Miscellaneous, net primarily includes charitable contributions and foreign exchange gains/(losses).

Income Taxes

Our effective tax rate for 2022 was 31%. We expect our annual effective tax rate to be between 23% and 26% for 2023. Our effective tax rate in 2022 was impacted by mark-to-market adjustments on our equity investments which are considered capital assets for tax purposes. As of December 31, 2022, we had approximately $5.4 billion of U.S. federal pre-tax net operating loss carryforwards, of which $1.5 billion was generated prior to 2018 and will not begin to expire until 2029. Under current tax law, the remaining net operating loss carryforwards do not expire.

The Inflation Reduction Act ("IRA") was enacted into law on August 16, 2022. Included in the IRA was a provision to implement a 15% corporate alternative minimum tax on corporations whose average annual adjusted financial statement income during the most recently-completed three-year period exceeds $1.0 billion. This provision is effective for tax years beginning after December 31, 2022. We are in the process of evaluating the provisions of the IRA, but we do not currently believe the IRA will have a material impact on our reported results, cash flows or financial position.

For more information about our income taxes, see Note 11 of the Notes to the Consolidated Financial Statements.

Refinery Segment

The refinery operated by our wholly owned subsidiary Monroe primarily produces gasoline, diesel and jet fuel. Monroe has agreements in place to exchange the non-jet fuel products the refinery produces with third parties for jet fuel consumed in our airline operations. The jet fuel produced and procured through exchanging gasoline and diesel fuel produced by the refinery provided approximately 200,000 barrels per day, or approximately 75% of our pre-COVID-19 pandemic consumption, for use in our airline operations.

Refinery segment financial information

(in millions, except per gallon data)	Year Ended December 31, 2022	2021	% Increase (Decrease) [1]
Exchange products	$ 3,475	$ 2,293	52 %
Sales of refined products	278	40	595 %
Sales to airline segment	1,976	492	302 %
Third-party refinery sales	4,977	3,229	54 %
Operating revenue	$ 10,706	$ 6,054	77 %
Operating income (loss)	$ 777	$ (2)	NM
Refinery segment impact on average price per fuel gallon	$ (0.23)	$ —	NM

[1] Certain variances are labeled as not meaningful ("NM").

Refinery revenues increased from $6.1 billion in 2021 to $10.7 billion in 2022, primarily driven by the increase in third-party refinery sales and sales to the airline segment. The increase in third-party refinery sales resulted from higher pricing and production during 2022 compared to 2021. The refinery recorded an operating loss of $2 million in 2021 compared to operating income of $777 million in 2022 mainly due to the increased production and pricing, partially offset by higher Renewable Identification Numbers ("RINs") compliance costs discussed below.

A refinery is subject to annual Environmental Protection Agency ("EPA") requirements to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase RINs from third parties in the secondary market. The Monroe refinery purchases the majority of its RINs in the secondary market. Monroe incurred $576 million in RINs compliance costs during 2022, compared to $422 million incurred in 2021. Observable RINs prices increased through the first half of 2022 and remained at these higher rates through the second half of the year.

At December 31, 2022, we had a net fair value obligation related to RINs of $226 million. Our obligation as of December 31, 2022 was calculated using the U.S. EPA Renewable Fuel Standard ("RFS") volume requirements, which were finalized in the June 2022 quarter. During the December 2022 quarter, we retired our 2020 RINs assets to settle our 2020 obligations prior to the compliance deadline. We expect to settle our 2021 and 2022 obligations in the first half of 2023.

For more information regarding the refinery's results, see Note 14 of the Notes to the Consolidated Financial Statements.

Operating Statistics

	Year Ended December 31,		
Consolidated [1]	**2022**	**2021**	**2019**
Revenue passenger miles (in millions)	195,480	134,692	237,680
Available seat miles (in millions)	233,226	194,474	275,379
Passenger mile yield	20.57 ¢	16.72 ¢	17.79 ¢
Passenger revenue per available seat mile ("PRASM")	17.24 ¢	11.58 ¢	15.35 ¢
Total revenue per available seat mile ("TRASM")	21.69 ¢	15.37 ¢	17.07 ¢
TRASM, adjusted [2]	19.55 ¢	13.71 ¢	16.97 ¢
Cost per available seat mile ("CASM")	20.12 ¢	14.40 ¢	14.67 ¢
CASM-Ex [2]	12.87 ¢	12.12 ¢	10.88 ¢
Passenger load factor	84 %	69 %	86 %
Fuel gallons consumed (in millions)	3,412	2,778	4,214
Average price per fuel gallon [3]	$ 3.36	$ 2.02	$ 2.02
Average price per fuel gallon, adjusted [2][3]	$ 3.36	$ 2.02	$ 2.01
Approximate full-time equivalent employees, end of period	95,000	83,000	91,000

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

(2) Non-GAAP financial measures are defined and reconciled to TRASM, CASM and average fuel price per gallon, respectively, in "Supplemental Information" below.

(3) Includes the impact of refinery segment results, carbon offset costs and fuel hedge activity.

Financial Condition and Liquidity

As of December 31, 2022, we had $9.4 billion in cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities ("liquidity"). We expect to meet our liquidity needs for the next twelve months with cash and cash equivalents, short-term investments, restricted cash equivalents and cash flows from operations. We expect to meet our long-term liquidity needs with cash flows from operations and financing arrangements.

Sources and Uses of Liquidity

Operating Activities

Operating activities in 2022 provided $6.4 billion of cash flow compared to $3.3 billion in 2021. Operating activities in 2021 included $4.5 billion in funds received from payroll support program grants. We expect to continue generating positive cash flows from operations during 2023.

Our operating cash flow is impacted by the following factors:

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

Beginning with the COVID-19 pandemic in the March 2020 quarter through 2021, reduced demand for air travel resulted in a lower level of advance bookings and the associated cash received than we had historically experienced, which had been impacting the typical seasonal trend of air traffic liability. However, demand improved during 2022 as consumers regained confidence to travel and increased ticket purchases for travel further in advance. As a result, air traffic liability began returning to the usual seasonal trend in 2022.

Fuel. Fuel expense represented approximately 24% of our total operating expense during 2022. The market price for jet fuel is volatile, which can impact the comparability of our periodic cash flows from operations. The average fuel price per gallon increased substantially in 2022. While prices have recently moderated, we expect elevated jet fuel prices in comparison to historical levels to continue during the beginning of 2023 due to current market conditions, further exacerbated by geopolitical events. As capacity and demand increased throughout the year, fuel consumption was higher in 2022 than 2021 as well. We expect that fuel consumption will continue to increase throughout 2023 as we return to pre-pandemic levels of capacity, partially offset by increases in the fuel efficiency of our fleet.

We expect our commitment to environmental sustainability to depend on increased use of SAF, which is not presently available at scale or at prices competitive to jet fuel. While we do not expect a material adverse effect on our Consolidated Financial Statements in the near-term from the use of SAF, we are unable to predict the financial impact of increased use of SAF on our Consolidated Financial Statements over the longer term as government policies and incentives for, and sufficient third-party investment in, SAF are necessary to make its use in larger quantities commercially and economically feasible.

Employee Benefit Obligations. We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and are frozen for future benefit accruals. Our funding obligations for these plans are governed by the Employee Retirement Income Security Act ("ERISA") and any applicable legislation. We had no minimum funding requirements in 2021 or 2022, and have no such requirements in 2023. However, we voluntarily contributed $1.5 billion to these plans during 2021. At this level of funding, investment returns are expected to satisfy future benefit payments, which we believe would eliminate further material voluntary or required cash contributions to the plans under the terms of ERISA. Further, based on this level of funding, we have modified, and continue to evaluate, the asset allocation mix to reduce the investment risk of the portfolio. Estimates of future funding requirements are based on various assumptions and could vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets, statutory requirements and demographic data for participants.

In addition, we have employee benefit obligations relating primarily to projected future benefit payments from our unfunded postretirement and postemployment plans. See Note 9 of the Notes to the Consolidated Financial Statements for more information on our employee benefit obligations.

Voluntary Separation Programs. In 2020, we recorded a $3.4 billion charge associated with voluntary early retirement and separation programs and other employee benefit charges. Approximately $440 million, $575 million and $720 million was disbursed in cash payments to participants in the voluntary programs during 2022, 2021 and 2020 respectively. We anticipate that a total of approximately $300 million in cash payments will be made to participants in the voluntary separation programs in 2023 and the remaining payments in 2024 and beyond.

Profit Sharing. Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items.

We pay profit sharing annually in February. To recognize the extraordinary efforts of our employees through the pandemic, we made a special profit-sharing payment of $108 million to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021. During the year ended December 31, 2022, we recorded $563 million in profit sharing expense based on 2022 pre-tax profit, which we will pay to employees in February 2023.

Contract Carrier Obligations. We have certain estimated minimum fixed obligations under capacity purchase agreements with third-party regional carriers. These minimum amounts are based on the required minimum levels of flying by the regional carriers under the respective agreements and assumptions regarding the costs associated with such minimum levels of flying. As of December 31, 2022 the total of these minimum amounts was $10.6 billion and are approximately $1.6 billion on an annual basis over the next five years. See Note 10 of the Notes to the Consolidated Financial Statements for more information on our contract carrier obligations.

Operating Lease Obligations. As described further in Note 7 of the Notes to the Consolidated Financial Statements, as of December 31, 2022 we had a total of $9.8 billion of minimum operating lease obligations. These minimum lease payments range from approximately $800 million to $1.0 billion on an annual basis over the next five years.

New York-JFK Airport Expansion. We are enhancing and expanding our facilities at Terminal 4 of JFK to strengthen our competitive position and offer a premium travel experience for customers in New York City. Terminal 4 is operated by JFK International Air Terminal LLC ("IAT"), a private party, under its lease with the Port Authority of New York and New Jersey ("Port Authority"). We have a long-term agreement with IAT to sublease space in Terminal 4 through 2043 ("Sublease").

In 2021, the Port Authority approved plans to renovate and expand Terminal 4 in order to facilitate Delta's relocation from Terminal 2 and consolidation of its operations into Terminal 4. The project will add 10 new gates and other complementary facilities, including an additional Delta Sky Club and a new Delta One lounge. The project is estimated to cost approximately $1.6 billion and will be funded primarily with bonds issued in 2022 by the New York Transportation Development Corporation ("NYTDC") for which our landlord, IAT, is the obligor. The majority of project costs are being used to expand or modify Delta's leased premises. Construction started in late 2021 and Delta's portion of the project is estimated to be complete by early 2024.

In 2022, we amended our Sublease to provide for the expansion project, including the adjustment of our subleased space and rentals. We have recognized a right-of-use ("ROU") asset and lease liability representing the fixed component of the lease payments for this facility and as the majority of the project either expands or modifies Delta’s leased premises, our lease liability will increase upon completion. As of December 31, 2022, our lease liability related to this Sublease was $2.3 billion. See Note 7 of the Notes to the Consolidated Financial Statements for more information on our ROU assets and lease liabilities.

Other Obligations. We have certain purchase obligations under which we are required to make minimum payments for goods and services, including, but not limited to, aviation-related, maintenance, insurance, marketing, technology, sponsorships and other third-party services and products. As of December 31, 2022, we had approximately $8.6 billion of such obligations, which range from approximately $350 million to $900 million on an annual basis over the next five years.

Investing Activities

Short-Term Investments. In 2022 we redeemed a net of $100 million in short-term investments. See Note 1 and Note 3 of the Notes to the Consolidated Financial Statements for further information on these investments.

Capital Expenditures. Our capital expenditures (i.e., property and equipment additions in our Consolidated Statements of Cash Flows ("cash flows statement")) were $6.4 billion and $3.2 billion in 2022 and 2021, respectively. Our capital expenditures are primarily related to the purchases of aircraft, airport construction projects, fleet modifications and technology enhancements.

We have committed to future aircraft purchases and have obtained, but are under no obligation to use, long-term financing commitments for a substantial portion of the purchase price of the aircraft. Excluding the New York-LaGuardia airport project discussed below, our expected 2023 capital spend of approximately $5.5 billion, which may vary depending on financing decisions, will be primarily for aircraft, including deliveries and advance deposit payments, as well as fleet modifications and technology enhancements. As described in Part I, Item 1. "Business - Environmental Sustainability," aircraft fleet renewal is an important component of our environmental sustainability strategy and the path to achievement of our ambitious climate goals, which will continue to require extensive capital investment in future periods. See Note 10 of the Notes to the Consolidated Financial Statements for additional information regarding our aircraft purchase commitments, which totaled approximately $19.0 billion as of December 31, 2022.

New York-LaGuardia Redevelopment. As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority to replace Terminals C and D with a new state-of-the-art terminal facility consisting of 37 gates across four concourses connected to a central headhouse. The terminal will feature a new, larger Delta Sky Club, wider concourses, more gate seating and nearly double the amount of concessions space than the existing terminals. The facility will also offer direct access between the parking garage and terminal and improved roadways and drop-off/pick-up areas. Construction is underway and is being phased to limit passenger inconvenience. Due to an acceleration effort that commenced in 2020, completion is expected by 2025.

In 2019, we opened Concourse G, the first of four new concourses, housing seven of the 37 new gates. In 2022, we achieved a significant milestone by opening the headhouse (including the Delta Sky Club), the terminal roadways and Concourse E - the second of four new concourses to be built. Additionally, we opened four of 12 planned new gates on Concourse F.

In connection with the redevelopment, during 2017, we entered into an amended and restated terminal lease with the Port Authority with a term through 2050. Pursuant to the lease agreement, as amended to date, we will (1) fund (through debt issuance and existing cash) and undertake the design, management and construction of the terminal and certain off-premises supporting facilities, (2) receive a Port Authority contribution of approximately $500 million to facilitate construction of the terminal and other supporting infrastructure, (3) be responsible for all operations and maintenance during the term of the lease and (4) have preferential rights to all gates in the terminal subject to Port Authority requirements with respect to accommodation of designated carriers.

The project is expected to cost $4.3 billion. We currently expect our net project cost to be approximately $3.8 billion and we bear the risks of project construction, including any potential cost over-runs. We entered into loan agreements to fund a portion of the construction, which are recorded on our Consolidated Balance Sheets ("balance sheets") as debt with the proceeds reflected as restricted cash. Using funding primarily provided by these arrangements, we spent approximately $650 million, $950 million and $600 million during 2022, 2021 and 2020, respectively, bringing the total amount spent on the project to date to approximately $3.2 billion. We expect to spend approximately $500 million during 2023.

Los Angeles International Airport ("LAX") Construction. As part of the terminal redevelopment project at LAX, we are modernizing, upgrading, and providing post-security connection to Terminals 2 and 3. We announced this project and executed a modified lease agreement during 2016 with the City of Los Angeles (the "City"), which owns and operates LAX. This project includes a new centralized ticketing and arrival hall, a new security checkpoint, core infrastructure to support the City's planned airport people mover, ramp improvements and a post-security connector to the north side of the Tom Bradley International Terminal.

The project is expected to cost approximately $2.4 billion. A substantial majority of the project costs are being funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using a revolving credit facility provided by a group of lenders. The credit facility was executed in 2017 and we have guaranteed the obligations of the RAIC under the credit facility. The revolving credit facility agreement was most recently amended in January 2023, decreasing the revolver capacity from $800 million to $700 million. Loans made under the credit facility are being repaid with the proceeds from the City's purchase of completed project assets. Under the lease agreement and subsequent project component approvals by the City's Board of Airport Commissioners, the City has appropriated to date approximately $1.8 billion to purchase completed project assets, representing the maximum allowable reimbursement by the City. Costs incurred in excess of the $1.8 billion maximum will not be reimbursed by the City. We currently expect our net project costs to be approximately $600 million, of which approximately $350 million has been reflected as investing activities in our cash flows statement since the project started in 2017.

Given reduced passenger volumes resulting from the COVID-19 pandemic, we accelerated the construction schedule for this project in 2020. Additionally, we enhanced the project's scope to include a more customer-friendly design of Terminal 3, an expanded Delta Sky Club and baggage system upgrades designed to increase the terminals' operational efficiency going forward. In 2022, we opened a new consolidated headhouse for both terminals, which includes ticketing, security, baggage claim and a new Delta Sky Club lounge and have a total of 11 of 14 planned new gates now open in Terminal 3. Construction is expected to be completed in 2023.

Equity Investments. To support our international presence, during 2022 we invested an aggregate amount of $757 million in Grupo Aeroméxico and LATAM as each carrier emerged from restructuring processes. Upon completion of their respective processes, we received a 20% equity stake in Grupo Aeroméxico and a 10% equity stake in LATAM. See Note 4 of the Notes to the Consolidated Financial Statements for additional information on our equity investments

Financing Activities

Debt and Finance Leases. In 2022, we had cash outflows of approximately $4.5 billion related to repayments of our debt and finance leases, including approximately $2.3 billion for the early repayment of certain notes through a cash tender offer and other various secured and unsecured notes. We will continue to seek opportunities to pre-pay our debt, in addition to periodic amortization payments and scheduled maturities, during 2023 and beyond. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on recent repayment activity.

The principal amount of our debt and finance leases was $23.2 billion at December 31, 2022.

Future Debt Obligations. As described further in Note 6 of the Notes to the Consolidated Financial Statements, as of December 31, 2022, scheduled maturities of our debt in 2023 and 2024 were $2.1 billion and $2.8 billion, respectively, with maturities from 2025 through 2027 ranging between $2.5 billion and $2.9 billion annually. As of December 31, 2022, scheduled maturities after 2027 aggregate to $8.4 billion. In addition, we are obligated to make periodic interest payments at fixed and variable rates, depending on the terms of the applicable debt agreements. Based on applicable interest rates and scheduled debt maturities as of December 31, 2022, these interest obligations total approximately $4.6 billion and range from approximately $350 million to $1.0 billion on an annual basis over the next five years. In addition to payment of scheduled debt maturities, we expect to continue paying down our debt in 2023, and therefore reduce our future interest obligations.

Finance Lease Obligations. As described further in Note 7 of the Notes to the Consolidated Financial Statements, as of December 31, 2022 we had a total of $1.8 billion of minimum finance lease obligations. These minimum lease payments range from approximately $200 million to $400 million on an annual basis over the next five years.

Undrawn Lines of Credit. As of December 31, 2022 we had approximately $2.9 billion undrawn and available under our revolving credit facilities. In addition, we had $400 million of outstanding letters of credit as of December 31, 2022 that did not affect the availability under our revolvers.

Covenants. We were in compliance with the covenants in our debt agreements at December 31, 2022. See Note 6 of the Notes to the Consolidated Financial Statements for more information on the covenants in our debt agreements.

Critical Accounting Estimates

Our critical accounting estimates are those estimates made in accordance with generally accepted accounting principles in the U.S. ("GAAP") that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our consolidated results of operations or financial condition. Accordingly, the actual results may differ materially from these estimates. For a discussion of our significant accounting policies, see Note 1 of the Notes to the Consolidated Financial Statements, unless otherwise noted below.

Loyalty Program

Our SkyMiles loyalty program generates customer loyalty by rewarding customers with incentives to travel on Delta. This program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection carriers and other airlines that participate in the loyalty program. When traveling, customers earn miles primarily based on the passenger's loyalty program status, fare class and ticket price. Customers can also earn miles through participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies. Miles are redeemable by customers in future periods for air travel on Delta and other participating airlines, access to our Sky Club and other program awards. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines.

The loyalty program includes two types of transactions that are considered revenue arrangements with multiple performance obligations (1) passenger ticket sales earning miles and (2) sale of miles to participating companies.

Passenger Ticket Sales Earning Miles. Passenger ticket sales earning miles provide customers with (1) miles earned and (2) air transportation, which are each considered performance obligations. We value each performance obligation on a standalone basis. To value the miles earned, we consider the quantitative value a passenger receives by redeeming miles for a ticket rather than paying cash, which is referred to as equivalent ticket value ("ETV"). Our estimate of ETV is adjusted for miles that are not likely to be redeemed ("mileage breakage"). We use statistical models to estimate mileage breakage based on historical redemption patterns. A change in assumptions regarding the redemption activity for miles or the estimated fair value of miles expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. We recognize mileage breakage proportionally during the period in which the remaining miles are actually redeemed.

At December 31, 2022, the aggregate deferred revenue balance associated with the SkyMiles program was $7.9 billion. A hypothetical 10% change in the number of outstanding miles estimated to be redeemed would result in an impact of less than 1% of total operating revenue recognized for the year ended December 31, 2022.

We defer revenue for the miles when earned and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize passenger revenue when we provide transportation or if the ticket goes unused. A hypothetical 10% increase in our estimate of the ETV of a mile would have decreased total operating revenue by less than 1% for the year ended December 31, 2022, as a result of an increase in the amount of revenue deferred associated with the miles earned.

Sale of Miles to Participating Companies. Customers earn miles based on their spending with participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies with which we have marketing agreements to sell miles. Our contracts to sell miles under these marketing agreements have multiple performance obligations. Payments are typically due to us monthly based on the volume of miles sold during the period, and the initial terms of our marketing contracts are from three to eleven years. During the years ended December 31, 2022, 2021 and 2020, total cash sales from marketing agreements related to our loyalty program were $5.7 billion, $4.1 billion and $2.9 billion, respectively, which are allocated to travel and other performance obligations, as discussed below.

Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("cardholders") and American Express Membership Rewards program participants, and allow American Express to market its services or products using our customer database. Cardholders earn miles for making purchases using co-branded cards, and certain cardholders may also check their first bag for free, are granted discounted access to Delta Sky Club lounges and receive priority boarding and other benefits while traveling on Delta. Additionally, participants in the American Express Membership Rewards program may exchange their points for miles under the loyalty program. We sell miles at agreed-upon rates to American Express which are then provided to their customers under the co-brand credit card program and the Membership Rewards program.

We account for marketing agreements, including those with American Express, by allocating the consideration to the individual products and services delivered. We allocate the value based on the relative selling prices of those products and services, which generally consist of award travel, priority boarding, baggage fee waivers, lounge access and the use of our brand. We determine our best estimate of the selling prices by using a discounted cash flow analysis using multiple inputs and assumptions, including (1) the expected number of miles awarded and number of miles redeemed, (2) ETV for the award travel obligation adjusted for mileage breakage, (3) published rates on our website for baggage fees, discounted access to Delta Sky Club lounges and other benefits while traveling on Delta, (4) brand value (using estimated royalties generated from the use of our brand) and (5) volume discounts provided to certain partners.

We defer the amount allocated to award travel as part of loyalty program deferred revenue and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. Revenue allocated to services performed in conjunction with a passenger's flight, such as baggage fee waivers, is recognized as travel-related services in passenger revenue when the related service is performed. Revenue allocated to access Delta Sky Club lounges is recognized as miscellaneous in other revenue as access is provided. Revenue allocated to the remaining performance obligations, primarily brand value, is recorded as loyalty program in other revenue as miles are delivered.

The timing of mile redemptions can vary widely; however, the majority of new miles have historically been redeemed within two years of being earned. The loyalty program deferred revenue classified as a current liability represents our estimate of revenue expected to be recognized in the next twelve months based on projected redemptions, while the balance classified as a noncurrent liability represents our estimate of revenue expected to be recognized beyond twelve months.

For additional information on our significant accounting policies related to the loyalty program, see Note 2 of the Notes to the Consolidated Financial Statements.

Passenger Ticket Sales

We defer sales of passenger tickets to be flown by us or that we sell on behalf of other airlines in our air traffic liability. Passenger revenue is recognized when we provide transportation or when the ticket expires unused ("ticket breakage"). For tickets that we sell on behalf of other airlines, we reduce the air traffic liability when consideration is remitted to those airlines. The air traffic liability primarily includes sales of passenger tickets with scheduled departure dates in the future and credits which can be applied as payment toward the cost of a ticket ("travel credits"). Travel credits are typically issued as a result of ticket cancellations prior to their expiration dates. We periodically evaluate the estimated air traffic liability and may record adjustments in our Consolidated Statement of Operations ("income statement"). These adjustments relate primarily to ticket breakage, refunds, exchanges, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

During the COVID-19 pandemic, we experienced significant ticket cancellations, particularly in the early months of 2020. Delta has eliminated change fees for tickets originating in the United States, Canada, Europe and Africa (excluding Basic Economy tickets). In order to provide our customers more flexibility and time to plan their travel, travel credit holders as of January 2022 and customers who purchased a ticket in 2022 are able to rebook their ticket through December 31, 2023 for travel throughout 2024.

We estimate the value of ticket breakage and recognize revenue at the scheduled flight date. Our ticket breakage estimates are primarily based on historical experience, ticket contract terms and customers' travel behavior. Given the impact of the COVID-19 pandemic on customer behavior and changes made in ticket validity terms, as well as the elimination of change fees for most tickets, our estimates of revenue that will be recognized from the air traffic liability for unused tickets may vary in future periods. At December 31, 2022, the aggregate air traffic liability balance was $8.3 billion. A hypothetical 10% change in the amount of travel credits estimated to expire unused would result in an impact of less than 1% of total operating revenue for the year ended December 31, 2022.

For additional information on our significant accounting policies related to passenger ticket sales, see Note 2 of the Notes to the Consolidated Financial Statements.

Long-Lived Assets

Our long-lived lived assets, including flight equipment, which consists of aircraft and associated engines and parts, operating ROU assets and other long-lived assets, which have a recorded value of approximately $40.1 billion at December 31, 2022, are recorded in property and equipment, net and operating lease right-of-use assets on our balance sheets. This value is based on various factors, including the assets' acquisition costs, estimated useful lives, salvage values, discounted lease payments and lease terms. We review flight equipment, ROU assets and other long-lived assets used in operations for impairment losses when events and circumstances indicate the assets may be impaired. Factors which could be indicators of impairment include, but are not limited to (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For long-lived assets held for sale, we discontinue depreciation and record impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

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

As a result of the COVID-19 pandemic and our response, we made decisions to remove certain aircraft from active service and to early retire certain fleet types. We evaluated our fleet for impairment, determining that only certain fleet types were impaired, as the future cash flows from the operation of these fleet types through the respective retirement dates were lower than the carrying value. This resulted in impairment and other related charges of $4.4 billion during 2020, recorded in restructuring charges in our income statement. These charges were calculated using Level 3 fair value inputs based primarily upon recent market transactions and third-party bids, which were corroborated with published pricing guides and our assessment of existing market conditions based on industry knowledge. The effects of the COVID-19 pandemic created additional estimation uncertainty as there was a limited market for aircraft and limited data on how the COVID-19 pandemic affected the fair value of aircraft.

Due to the recovery in demand that we experienced throughout 2021 and 2022, we decided not to retire any additional aircraft and returned to service a majority of the aircraft that were temporarily parked in 2020. We recorded no further impairments during 2021 or 2022.

Following the impairment charges, the aggregate net book value of these aircraft as of December 31, 2022 and December 31, 2021 was approximately $220 million and $340 million, respectively, with the reduction in 2022 primarily due to aircraft sales. See Note 15 of the Notes to the Consolidated Financial Statements for additional details regarding these impairments and related charges.

Goodwill and Indefinite-Lived Intangible Assets

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

When we evaluate goodwill for impairment using a quantitative approach, we estimate the fair value of the reporting unit by considering both comparable public company multiples (a market approach) and projected discounted future cash flows (an income approach). When we perform a quantitative impairment assessment of our indefinite-lived intangible assets, fair value is estimated based on (1) recent market transactions, where available, (2) the royalty method for the Delta tradename (which assumes hypothetical royalties generated from using our tradename) or (3) projected discounted future cash flows (an income approach).

Key Assumptions. The key assumptions in our impairment tests include (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business and our alliance partners from the COVID-19 pandemic, (2) current discount rates, (3) observable market transactions and (4) anticipated changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals). These assumptions are consistent with those that hypothetical market participants would use. Because we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. In addition, when performing a qualitative valuation, we consider the amount by which the intangible assets' fair values exceeded their respective carrying values in the most recent fair value measurements calculated using a quantitative approach.

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

Goodwill. Our goodwill balance, which is related to the airline segment, was $9.8 billion at December 31, 2022.

Identifiable Intangible Assets. Our identifiable intangible assets, which are related to the airline segment, had a net carrying amount of $6.0 billion at December 31, 2022, of which $5.9 billion related to indefinite-lived intangible assets. Indefinite-lived assets are not amortized and consist of routes, slots, the Delta tradename and assets related to alliances and collaborative arrangements. Definite-lived assets consist primarily of marketing and maintenance service agreements.

In the September 2022 quarter, final regulatory approval was granted for our trans-American joint venture agreement with LATAM. This agreement combines our highly complementary route networks between North and South America, with the goal of providing customers with a seamless travel experience and industry-leading connectivity. Approval was granted for a 10-year period with a subsequent reassessment and extension process. This agreement supports our strategic partnership with LATAM and the value of our $1.2 billion alliance-related indefinite-lived intangible asset. We believe the LATAM joint venture agreement will generate growth opportunities, building upon Delta's and LATAM's global footprint.

We have classified our LATAM alliance intangible asset as indefinite-lived as we expect to indefinitely receive the economic benefits from the relationship, similar to other joint venture arrangements between U.S. and foreign carriers that have been cleared by competition authorities in relevant foreign jurisdictions and granted antitrust immunity from the U.S. Department of Transportation ("DOT"). Antitrust immunity grants are generally subject to reporting requirements and periodic reassessment processes administered by the DOT. We have determined that there are currently no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our LATAM alliance-related intangible asset.

In 2022, we performed qualitative assessments of our goodwill and indefinite-lived intangible assets, including applicable factors noted in "Key Assumptions" above, and determined that there was no indication that the assets were impaired. Our qualitative assessments include analyses and weighting of all relevant factors which impact the fair value of our indefinite-lived intangible assets.

For additional information on our goodwill and indefinite-lived intangible assets' significant accounting policies and the related fair values and book values, see Note 5 of the Notes to the Consolidated Financial Statements.

Defined Benefit Pension Plans

We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. As of December 31, 2022, the unfunded benefit obligation for these plans recorded on our balance sheets was $90 million. We had no minimum funding requirements in 2021 or 2022, and have no such requirements in 2023. However, we voluntarily contributed $1.5 billion to these plans during 2021. The most critical assumptions impacting our defined benefit pension plan obligations, plan assets and net periodic benefit cost are the discount rate, the expected long-term rate of return on plan assets and life expectancy of plan participants.

Weighted Average Discount Rate. We determine our weighted average discount rate on our measurement date primarily by reference to annualized rates earned on high-quality fixed income investments and yield-to-maturity analyses specific to our estimated future benefit payments. We used a weighted average discount rate to value the obligations of 5.62% and 2.97% at December 31, 2022 and 2021, respectively.

Expected Long-Term Rate of Return. Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan assets assumptions annually.

The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. Based on our funded status as of December 31, 2021, we modified the strategic asset allocation mix in 2022 to reduce the investment risk of the portfolio. Based on the portfolio's risk profile, we lowered the weighted average expected long-term rate of return on our defined benefit pension plan assets for 2022 net periodic benefit cost to 7.00%.

The impact of a 0.50% change in weighted average discount rate and 1.00% change in expected long-term rate of return on assets are shown in the table below:

Benefit plan effects of change in assumptions used

Change in Assumption	Effect on 2023 Pension Benefit Cost	Effect on Accrued Pension Liability at December 31, 2022
0.50% decrease in weighted average discount rate	$ (5) million	$ 743 million
0.50% increase in weighted average discount rate	$ — million	$ (685) million
1.00% decrease in expected long-term rate of return on assets	$ 152 million	$ —
1.00% increase in expected long-term rate of return on assets	$ (152) million	$ —

Life Expectancy. Changes in life expectancy may significantly impact our benefit obligations and future net periodic benefit cost. We use the Society of Actuaries ("SOA") published mortality data and other publicly available information to develop our best estimate of life expectancy. The SOA publishes updated mortality tables for U.S. plans and updated improvement scales. Each year we consider updates by the SOA in setting our mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations.

Funding. Our funding obligations for qualified defined benefit plans are governed by the Employee Retirement Income Security Act and any applicable legislation. Under the Pension Protection Act of 2006, we elected alternative funding rules so that the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate until the 17-year period expires for all frozen defined benefit plans by the end of 2024. Upon expiration, under legislation passed in 2021, any required funding would be amortized over a rolling 15-year period and calculated using a discount rate of no less than 4.75% through 2030.

While this recent legislation makes our funding obligations for these plans more predictable, factors outside our control continue to have an impact on the funding requirements. Estimates of future funding requirements are based on various assumptions and can vary materially from actual funding requirements. Assumptions include, among other things, the actual and projected market performance of assets, statutory requirements and demographic data for participants.

Investments Valued at Net Asset Value ("NAV") Per Share. On an annual basis we assess the potential for adjustments to the fair value of all investments. These investments valued using NAV as a practical expedient are typically valued on a monthly or quarterly basis by third-party administrators, valuation agents or fund managers with an annual audit performed by an independent third-party, but certain of these investments have a lag in the availability of data. We solicit valuation updates from the investment fund managers and use their information and corroborating data from public markets to determine any needed fair value adjustments.

For additional information on our significant accounting policies related to defined benefit pension plans, see Note 9 of the Notes to the Consolidated Financial Statements.

Income Tax Valuation Allowance

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

At December 31, 2022 our net deferred tax asset balance was $301 million, including a $1.2 billion valuation allowance primarily related to certain net realized and unrealized capital losses and certain state net operating losses. Although we have cumulative losses since the onset of the pandemic, we have a history of significant earnings prior to the onset of the COVID-19 pandemic. During 2022, we returned to profitability, as our business continued to recover from the impact of the pandemic. We are expecting to generate sufficient taxable income to utilize our federal net operating loss carryforwards before any expire. However, the generation of future taxable income is dependent on many factors, including those which are out of our control, such as the demand for air travel and overall health of the economy. As such, there are no guarantees that a valuation allowance will not be required against some or all of our deferred tax assets in future periods.

Our federal net operating loss carryforwards generated before 2018 do not begin to expire until 2029. Under current tax law, federal net operating losses generated after 2017 do not expire. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the certain net realized and unrealized capital losses and certain state net operating losses that have short expiration periods.

For additional information on our significant accounting policies related to income taxes, see Note 11 of the Notes to the Consolidated Financial Statements.

Recent Accounting Standards

Standards Effective in Future Years

Fair Value of Equity Investments. In June 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." Under this standard, a contractual restriction on the sale of an equity security is not considered in measuring the security's fair value. The standard also requires certain disclosures for equity securities that are subject to contractual restrictions. The ASU becomes effective January 1, 2024. Upon adoption, we do not believe it will have a material impact on the valuation of our equity investments; however, we may be required to include additional disclosures to the extent we have material equity investments subject to contractual sale restrictions.

Supplier Finance Program Obligations. In September 2022, the FASB issued ASU No. 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50)." This standard requires disclosure of the key terms of outstanding supplier finance programs and a rollforward of the related obligations. The new standard does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The ASU becomes effective January 1, 2023, except for the rollforward requirement, which becomes effective January 1, 2024. Upon adoption, we may be required to include additional disclosures to the extent we have material supplier finance program obligations.

Supplemental Information

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

Included below are reconciliations of non-GAAP measures used within this Form 10-K to the most directly comparable GAAP financial measures. These reconciliations include certain adjustments to GAAP measures, which are directly related to the impact of COVID-19 and our response. Reconciliations below may not calculate exactly due to rounding. These adjustments are made to provide comparability between the reported periods, if applicable, as indicated below:

- *Restructuring charges.* During 2020, we recorded restructuring charges of $8.2 billion for items such as fleet impairments and voluntary early retirement and separation programs following strategic business decisions in response to the COVID-19 pandemic. In the years ended December 31, 2022 and 2021, we recognized $124 million and $19 million, respectively, of adjustments to certain of those restructuring charges, representing changes in our estimates or the outcome of contract negotiations.

- *Government grant recognition.* We recognized $4.5 billion of the grant proceeds from the payroll support program extensions as a contra-expense during 2021. We recognized the grant proceeds as contra-expense based on the periods that the funds were intended to compensate and fully used all proceeds from the payroll support program extensions during that year.

- *Special profit-sharing payment.* This adjustment is exclusive to 2021. To recognize the extraordinary efforts of our employees through the pandemic, we made a special profit-sharing payment to eligible employees in February 2022, based on the adjusted pre-tax profit earned during the second half of 2021. This adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

We also regularly adjust certain GAAP measures for the following items, if applicable, for the reasons indicated below:

- *MTM adjustments and settlements on hedges.* Mark-to-market (″MTM") adjustments are defined as fair value changes recorded in periods other than the settlement period. Such fair value changes are not necessarily indicative of the actual settlement value of the underlying hedge in the contract settlement period, and therefore we remove this impact to allow investors to better understand and analyze our core performance. Settlements represent cash received or paid on hedge contracts settled during the applicable period.

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

- *Third-party refinery sales.* Refinery sales to third parties, and related expenses, are not related to our airline segment. Excluding these sales therefore provides a more meaningful comparison of our airline operations to the rest of the airline industry.

- *Aircraft fuel and related taxes.* The volatility in fuel prices impacts the comparability of year-over-year financial performance. The adjustment for aircraft fuel and related taxes allows investors to better understand and analyze our non-fuel costs and year-over-year financial performance.

- *Profit sharing.* We adjust for profit sharing because this adjustment allows investors to better understand and analyze our recurring cost performance and provides a more meaningful comparison of our core operating costs to the airline industry.

Operating income, adjusted reconciliation

(in millions)	Year Ended December 31, 2022	2021	2019
Operating income	$ 3,661	$ 1,886	$ 6,618
Adjusted for:			
Restructuring charges	(124)	(19)	—
Government grant recognition	—	(4,512)	—
MTM adjustments and settlements on hedges	29	9	14
Special profit sharing payment	—	108	—
Delta Private Jets adjustment	—	—	3
Operating income/(loss), adjusted	$ 3,566	$ (2,527)	$ 6,636

Operating expense, adjusted reconciliation

(in millions)	Year Ended December 31, 2022	2021	2019
Operating expense	$ 46,921	$ 28,013	$ 40,389
Adjusted for:			
Restructuring charges	124	19	—
Government grant recognition	—	4,512	—
MTM adjustments and settlements on hedges	(29)	(9)	(14)
Special profit sharing payment	—	(108)	—
Third-party refinery sales	(4,977)	(3,229)	(97)
Delta Private Jets adjustment	—	—	(196)
Operating expense, adjusted	$ 42,039	$ 29,197	$ 40,082

Fuel expense, adjusted and Average fuel price per gallon, adjusted reconciliations

(in millions, except per gallon data)	Year Ended December 31, 2022	2021	2019	Average Price Per Gallon, Year Ended December 31, 2022	2021	2019
Total fuel expense	$ 11,482	$ 5,633	$ 8,519	$ 3.36	$ 2.02	$ 2.02
Adjusted for:						
MTM adjustments and settlements on hedges	(29)	(9)	(14)	(0.01)	—	—
Delta Private Jets adjustment	—	—	(28)	—	—	(0.01)
Total fuel expense, adjusted	$ 11,453	$ 5,625	$ 8,477	$ 3.36	$ 2.02	$ 2.01

TRASM, adjusted reconciliation

(in cents)	Year Ended December 31, 2022	2021	2019
TRASM	21.69 ¢	15.37 ¢	17.07 ¢
Adjusted for:			
Third-party refinery sales	(2.13)	(1.66)	(0.04)
Delta Private Jets adjustment	—	—	(0.07)
TRASM, adjusted	19.55 ¢	13.71 ¢	16.97 ¢

CASM-Ex reconciliation

(in cents)	Year Ended December 31, 2022	2021	2019
CASM	20.12 ¢	14.40 ¢	14.67 ¢
Adjusted for:			
Restructuring charges	0.05	0.01	—
Government grant recognition	—	2.32	—
Aircraft fuel and related taxes	(4.92)	(2.90)	(3.10)
Third-party refinery sales	(2.13)	(1.66)	(0.04)
Special profit sharing payment	—	(0.06)	—
Profit sharing	(0.24)	—	(0.60)
Delta Private Jets adjustment	—	—	(0.06)
CASM-Ex	12.87 ¢	12.12 ¢	10.88 ¢

Free Cash Flow

The following table shows a reconciliation of net cash provided by operating activities (a GAAP measure) to free cash flow (a non-GAAP financial measure). We present free cash flow because management believes this metric is helpful to investors to evaluate the company's ability to generate cash that is available for use for debt service or general corporate initiatives. Adjustments include:

- *Net redemptions of short-term investments.* Net redemptions of short-term investments represent the net purchase and sale activity of investments and marketable securities in the period, including gains and losses. We adjust for this activity to provide investors a better understanding of the company's free cash flow generated by our operations.

- *Strategic investments and related.* Cash flows related to our investments in and related transactions with other airlines are included in our GAAP investing activities. We adjust for this activity because it provides a more meaningful comparison to our airline industry peers.

- *Net cash flows related to certain airport construction projects and other.* Cash flows related to certain airport construction projects are included in our GAAP operating activities and capital expenditures. We have adjusted for these items because management believes investors should be informed that a portion of these capital expenditures from airport construction projects are either reimbursed by a third-party or funded with restricted cash specific to these projects.

- *Financed aircraft acquisitions.* This adjustment reflects aircraft deliveries that are leased as capital expenditures. The adjustment is based on their original contractual purchase price or an estimate of the aircraft's fair value and provides a more meaningful view of our investing activities.

Free cash flow reconciliation

(in millions)	Year Ended December 31, 2022
Net cash provided by operating activities	$ 6,363
Net cash used in investing activities	(6,924)
Adjusted for:	
Net redemptions of short-term investments	(100)
Strategic investments and related	701
Net cash flows related to certain airport construction projects and other	409
Financed aircraft acquisitions	(206)
Free cash flow	$ 244

Glossary of Defined Terms

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

CASM - (Total Operating) Cost per Available Seat Mile. The amount of operating cost incurred per ASM during a reporting period. CASM is also referred to as "unit cost."

CASM-Ex - The amount of operating cost incurred per ASM during a reporting period, adjusted for the items shown above in "Supplemental Information."

Free Cash Flow - A measure of net cash from operating and investing activities, adjusted for items shown above in "Supplemental Information." Represents the cash available for use for debt service or general corporate initiatives.

Liquidity - Includes our cash and cash-like assets, including cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities.

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

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

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

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

TRASM - Total Revenue per ASM. The amount of total revenue earned per ASM during a reporting period.

TRASM, adjusted - The amount of total revenue earned per ASM during a reporting period, adjusted for the item shown above in "Supplemental Information."

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have market risk exposure related to fuel prices, interest rates and foreign currency exchange rates. Market risk is the potential negative impact of adverse changes in these prices or rates on our Consolidated Financial Statements. In an effort to manage our exposure to these risks, we may enter into derivative contracts and may adjust our derivative portfolio as market conditions change. See Note 3 of the Notes to the Consolidated Financial Statements for further information on our derivative contracts. We expect adjustments to the fair value of financial instruments to result in ongoing volatility in earnings and stockholders' equity.

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

Fuel Price Risk

Changes in fuel prices materially impact our results of operations. A one cent increase in the cost of jet fuel would result in approximately $40 million of additional annual fuel expense based on annual pre-COVID-19 pandemic consumption of approximately four billion gallons of jet fuel. As a result of the reduced capacity from the COVID-19 pandemic, our jet fuel consumption during 2022 of 3.4 billion gallons was lower than our historical and expected future consumption. Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe’s inventory.

Interest Rate Risk

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

At December 31, 2022, we had $17.9 billion of fixed-rate debt, $3.6 billion of variable-rate debt and $713 million of variable-rate leases. The rates used in our variable-rate debt are based on LIBOR, or another index rate, which in certain cases is subject to a floor. An increase of 100 basis points in average annual interest rates would have decreased the estimated fair value of our fixed-rate debt by $725 million at December 31, 2022 and would have increased the annual interest expense on our variable-rate debt and variable-rate leases by $43 million.

In March 2021, the administrator of LIBOR announced that the publication of certain LIBOR settings ceased after December 2021 and publication of the remainder of the LIBOR settings will cease after June 2023. At December 31, 2022, we had no exposure to the discontinued LIBOR settings and had approximately $1.4 billion of LIBOR-based debt and finance leases maturing after June 2023, all of which include mechanisms for replacing the applicable reference rate, which we do not expect to be materially different from LIBOR.

Foreign Currency Exchange Risk

We are subject to foreign currency exchange rate risk because we have revenue, expense and equity investments denominated in foreign currencies. To manage exchange rate risk, we execute both our international revenue and expense transactions in the same foreign currency to the extent practicable. From time to time, we may also enter into foreign currency option and forward contracts.

At December 31, 2022 we had no open foreign currency options or forward contracts.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (the Company) as of December 31, 2022 and 2021, and the related consolidated statements of operations, comprehensive income/(loss), cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 10, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Employee Benefit Plans - NAV Asset Valuation

Description of the Matter	At December 31, 2022, the fair value of the Company's benefit plan assets measured at fair value on a recurring basis totaled $15.6 billion, of which $12.3 billion do not have a readily determinable fair value and are measured at net asset value per share ("NAV assets") as a practical expedient. Management determines the fair value of NAV assets by applying the methodologies described in Note 9 to the consolidated financial statements. Auditing the Company's NAV assets required significant judgment in estimating the fair value of the NAV assets, primarily resulting from the lag in the availability of data provided by the investment fund managers and the use of corroborating data from public markets to estimate fair value.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for the fair value measurement of its NAV assets, including controls over management's assessment of the significant inputs and estimates affecting the fair value measurement. To test the fair value of plan assets measured at NAV, our audit procedures included, among others, evaluating the valuation methodologies used by the Company and comparing significant inputs and underlying data used in the Company's valuations to information available from third-party sources and market data. Additionally, we performed sensitivity analyses to evaluate the changes to the Company's net periodic benefit that would result from changes in the fair value measurement, and compared the Company's asset performance results to applicable third-party benchmarks and assessed management's historical accuracy of estimating fair value by performing retrospective review procedures comparing the Company's estimates of fair value as of the prior year end to the fair value NAV in the investment's audited financial statements made available during the current year.

Loyalty Program - Mileage Breakage

Description of the Matter	At December 31, 2022 the Company's aggregate current and noncurrent loyalty program deferred revenue balance was $7.9 billion. For the year ended December 31, 2022, the Company recognized $2.9 billion of revenue classified as loyalty travel awards within passenger revenue and $2.6 billion of revenue classified as loyalty program revenue within other revenue in the consolidated statement of operations. As disclosed in Note 2 to the consolidated financial statements, the Company defers revenue for mileage credits earned and recognizes loyalty travel awards in passenger revenue as the miles are redeemed and services are provided. In accounting for its loyalty program deferred revenue, the Company estimates the amount of mileage credits outstanding that are not expected to be redeemed ("mileage breakage"). The Company recognizes mileage breakage proportionally during the period in which the remaining mileage credits are actually redeemed. Under the Company's loyalty program, mileage credits do not expire. Therefore, the Company uses statistical models to estimate mileage breakage based on historical redemption patterns. Auditing the Company's accounting for its loyalty program required significant estimation in determining the mileage breakage estimate for mileage credits. In particular, there is complexity and subjectivity in estimating mileage breakage based on expectations of future redemption patterns due to the absence of historical expirations as the Company's mileage credits do not expire.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for its loyalty program, including controls over management's review of the estimation of the mileage breakage and the completeness and accuracy of the data underlying the mileage breakage estimate. To test the estimate of breakage of mileage credits, our audit procedures included, among others, involving an actuarial specialist to assist in assessing the method used by the Company to develop the mileage breakage estimate and to independently develop a range of mileage breakage estimates and compare to the Company's estimate. Additionally, we tested the completeness and accuracy of the underlying mileage data used in the Company's statistical models.

Realizability of Deferred Tax Assets

Description of the Matter	At December 31, 2022, the Company had gross deferred tax assets of $8.2 billion with a related valuation allowance of $1.2 billion, and gross deferred tax liabilities of $7.9 billion. As discussed in Notes 1 and 11 to the consolidated financial statements, the Company records a valuation allowance based on the assessment of the realizability of the Company's deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, in management's judgment it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Auditing management's assessment of recoverability of deferred tax assets involved subjective estimation and complex auditor judgment in weighing the positive and negative evidence to determine whether a valuation allowance for deferred tax assets is needed.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risks of material misstatement relating to the realizability of deferred tax assets. This included controls over management's scheduling of the future reversal of existing taxable temporary differences, identification and use of available tax planning strategies and estimates of future taxable income. To test the realizability of the Company's deferred tax assets, our audit procedures included, among others, evaluating the assumptions used to develop the scheduling of the future reversal of existing taxable temporary differences, evaluating tax planning strategies and evaluating the assumptions used to develop projections of future taxable income. We compared the projections of future taxable income with the actual results of prior periods and evaluated management's consideration of current industry and economic trends. We also compared the projections of future taxable income with other forecasted financial information prepared by the Company. In addition, we involved our tax specialists to evaluate the application of tax law in the performance of these procedures.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

Atlanta, Georgia
February 10, 2023

DELTA AIR LINES, INC.
Consolidated Balance Sheets

(in millions, except share data)	December 31, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,266	$ 7,933
Short-term investments	3,268	3,386
Accounts receivable, net of an allowance for uncollectible accounts of $23 and $50	3,176	2,404
Fuel, expendable parts and supplies inventories, net of an allowance for obsolescence of $136 and $176	1,424	1,098
Prepaid expenses and other	1,877	1,119
Total current assets	13,011	15,940
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation and amortization of $20,370 and $18,671	33,109	28,749
Operating lease right-of-use assets	7,036	7,237
Goodwill	9,753	9,753
Identifiable intangibles, net of accumulated amortization of $902 and $893	5,992	6,001
Equity investments	2,128	1,712
Deferred income taxes, net	325	1,294
Other noncurrent assets	934	1,773
Total noncurrent assets	59,277	56,519
Total assets	$ 72,288	$ 72,459
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of debt and finance leases	$ 2,359	$ 1,782
Current maturities of operating leases	714	703
Air traffic liability	8,160	6,228
Accounts payable	5,106	4,240
Accrued salaries and related benefits	3,288	2,457
Loyalty program deferred revenue	3,434	2,710
Fuel card obligation	1,100	1,100
Other accrued liabilities	1,779	1,746
Total current liabilities	25,940	20,966
Noncurrent Liabilities:		
Debt and finance leases	20,671	25,138
Noncurrent air traffic liability	100	130
Pension, postretirement and related benefits	3,707	6,035
Loyalty program deferred revenue	4,448	4,849
Noncurrent operating leases	6,866	7,056
Other noncurrent liabilities	3,974	4,398
Total noncurrent liabilities	39,766	47,606
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at $0.0001 par value; 1,500,000,000 shares authorized, 651,800,786 and 649,720,387 shares issued	—	—
Additional paid-in capital	11,526	11,447
Retained earnings/(accumulated deficit)	1,170	(148)
Accumulated other comprehensive loss	(5,801)	(7,130)
Treasury stock, at cost, 10,535,033 and 9,752,872	(313)	(282)
Total stockholders' equity	6,582	3,887
Total liabilities and stockholders' equity	$ 72,288	$ 72,459

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

DELTA AIR LINES, INC.
Consolidated Statements of Operations

(in millions, except per share data)	Year Ended December 31, 2022	2021	2020
Operating Revenue:			
Passenger	$ 40,218	$ 22,519	$ 12,883
Cargo	1,050	1,032	608
Other	9,314	6,348	3,604
Total operating revenue	50,582	29,899	17,095
Operating Expense:			
Salaries and related costs	11,902	9,728	9,001
Aircraft fuel and related taxes	11,482	5,633	3,176
Ancillary businesses and refinery	5,756	3,957	1,785
Contracted services	3,345	2,420	1,953
Landing fees and other rents	2,181	2,019	1,833
Depreciation and amortization	2,107	1,998	2,312
Regional carrier expense	2,051	1,736	1,584
Aircraft maintenance materials and outside repairs	1,982	1,401	822
Passenger commissions and other selling expenses	1,891	953	643
Passenger service	1,453	756	551
Profit sharing	563	108	—
Aircraft rent	508	430	399
Restructuring charges	(124)	(19)	8,219
Government grant recognition	—	(4,512)	(3,946)
Other	1,824	1,405	1,232
Total operating expense	46,921	28,013	29,564
Operating Income/(Loss)	3,661	1,886	(12,469)
Non-Operating Expense:			
Interest expense, net	(1,029)	(1,279)	(929)
Impairments and equity method results	(20)	(337)	(2,432)
Gain/(loss) on investments, net	(783)	56	(105)
Loss on extinguishment of debt	(100)	(319)	(8)
Pension and related benefit	292	451	219
Miscellaneous, net	(107)	(60)	137
Total non-operating expense, net	(1,747)	(1,488)	(3,118)
Income/(Loss) Before Income Taxes	1,914	398	(15,587)
Income Tax (Provision)/Benefit	(596)	(118)	3,202
Net Income/(Loss)	$ 1,318	$ 280	$ (12,385)
Basic Earnings/(Loss) Per Share	$ 2.07	$ 0.44	$ (19.49)
Diluted Earnings/(Loss) Per Share	$ 2.06	$ 0.44	$ (19.49)
Cash Dividends Declared Per Share	$ —	$ —	$ 0.40

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

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

(in millions)	Year Ended December 31, 2022	2021	2020
Net Income/(Loss)	$ 1,318	$ 280	$ (12,385)
Other comprehensive income/(loss):			
Net change in pension and other benefits	1,329	1,908	(983)
Net change in other	—	—	(66)
Total Other Comprehensive Income/(Loss)	1,329	1,908	(1,049)
Comprehensive Income/(Loss)	$ 2,647	$ 2,188	$ (13,434)

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

DELTA AIR LINES, INC.
Consolidated Statements of Cash Flows

(in millions)	Year Ended December 31, 2022	2021	2020
Cash Flows From Operating Activities:			
Net income/(loss)	$ 1,318	$ 280	$ (12,385)
Adjustments to reconcile net income to net cash provided by operating activities:			
Restructuring charges	(46)	5	4,111
Depreciation and amortization	2,107	1,998	2,312
Deferred income taxes	591	115	(3,110)
(Gain)/loss on fair value investments	874	(38)	88
Pension, postretirement and postemployment payments (greater)/less than expense	(453)	(2,038)	898
Impairments and equity method results	20	337	2,432
Changes in certain assets and liabilities:			
Receivables	(728)	(981)	1,168
Fuel inventory	(158)	(318)	354
Prepaids and other current assets	(867)	(58)	—
Air traffic liability	1,902	1,814	(572)
Loyalty program deferred revenue	324	376	455
Profit sharing	455	108	(1,650)
Other payables, deferred revenue and accrued liabilities	1,226	1,986	240
Noncurrent liabilities	(348)	(399)	1,185
Other, net	146	77	681
Net cash provided by/(used in) operating activities	6,363	3,264	(3,793)
Cash Flows From Investing Activities:			
Property and equipment additions:			
Flight equipment, including advance payments	(4,495)	(1,596)	(896)
Ground property and equipment, including technology	(1,871)	(1,651)	(1,003)
Proceeds from sale-leaseback transactions	—	—	465
Purchase of equity investments	(870)	—	(2,099)
Purchase of short-term investments	(2,704)	(12,655)	(13,400)
Redemption of short-term investments	2,804	15,036	7,608
Other, net	212	(32)	87
Net cash used in investing activities	(6,924)	(898)	(9,238)
Cash Flows From Financing Activities:			
Proceeds from short-term obligations	—	—	3,261
Proceeds from long-term obligations	—	1,902	22,790
Proceeds from sale-leaseback transactions	—	—	2,306
Payments on debt and finance lease obligations	(4,475)	(5,834)	(8,559)
Repurchase of common stock	—	—	(344)
Cash dividends	—	—	(260)
Fuel card obligation	—	—	364
Other, net	(60)	80	(202)
Net cash (used in)/provided by financing activities	(4,535)	(3,852)	19,356
Net (Decrease)/Increase in Cash, Cash Equivalents and Restricted Cash	(5,096)	(1,486)	6,325
Cash, cash equivalents and restricted cash at beginning of period	8,569	10,055	3,730
Cash, cash equivalents and restricted cash at end of period	$ 3,473	$ 8,569	$ 10,055
Supplemental Disclosure of Cash Paid for Interest	$ 1,261	$ 1,524	$ 761
Non-Cash Transactions:			
Right-of-use assets acquired under operating leases	$ 531	$ 2,113	$ 1,077
Flight and ground equipment acquired under finance leases	91	1,049	381
Equity investments and other financings	330	—	280
Operating leases converted to finance leases	342	42	—

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

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

(in millions, except per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock Shares	Treasury Stock Amount	Total
Balance at January 1, 2020	652	$ —	$ 11,129	$ 12,454	$ (7,989)	9	$ (236)	$15,358
Net loss	—	—	—	(12,385)	—	—	—	(12,385)
Dividends declared	—	—	—	(257)	—	—	—	(257)
Other comprehensive loss	—	—	—	—	(1,049)	—	—	(1,049)
Common stock issued for employee equity awards and other[(1)]	1	—	120	—	—	—	(23)	97
Stock purchased and retired	(6)	—	(104)	(240)	—	—	—	(344)
Government grant warrant issuance	—	—	114	—	—	—	—	114
Balance at December 31, 2020	647	—	11,259	(428)	(9,038)	9	(259)	1,534
Net income	—	—	—	280	—	—	—	280
Other comprehensive income	—	—	—	—	1,908	—	—	1,908
Common stock issued for employee equity awards[(1)]	3	—	102	—	—	1	(23)	79
Government grant warrant issuance	—	—	86	—	—	—	—	86
Balance at December 31, 2021	650	—	11,447	(148)	(7,130)	10	(282)	3,887
Net income	—	—	—	1,318	—	—	—	1,318
Other comprehensive income	—	—	—	—	1,329	—	—	1,329
Common stock issued for employee equity awards[(1)]	2	—	79	—	—	1	(31)	48
Balance at December 31, 2022	652	$ —	$ 11,526	$ 1,170	$ (5,801)	11	$ (313)	$ 6,582

(1) Treasury shares were withheld for payment of taxes, at a weighted average price per share of $40.52, $38.87 and $52.17 in 2022, 2021 and 2020, respectively.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Delta Air Lines, Inc., a Delaware corporation, provides scheduled air transportation for passengers and cargo throughout the United States ("U.S.") and around the world. Our Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our consolidated subsidiaries and have been prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"). We are the primary beneficiary of, and have a controlling financial interest in, certain immaterial entities in which we have voting rights of 50% or less, which we consolidate in our financial results.

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

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

Use of Estimates

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

Recent Accounting Standards

Standards Effective in Future Years

Fair Value of Equity Investments. In June 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." Under this standard, a contractual restriction on the sale of an equity security is not considered in measuring the security's fair value. The standard also requires certain disclosures for equity securities that are subject to contractual restrictions. The ASU becomes effective January 1, 2024. Upon adoption, we do not believe it will have a material impact on the valuation of our equity investments; however, we may be required to include additional disclosures to the extent we have material equity investments subject to contractual sale restrictions.

Supplier Finance Program Obligations. In September 2022, the FASB issued ASU No. 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50)." This standard requires disclosure of the key terms of outstanding supplier finance programs and a rollforward of the related obligations. The new standard does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The ASU becomes effective January 1, 2023, except for the rollforward requirement, which becomes effective January 1, 2024. Upon adoption, we may be required to include additional disclosures to the extent we have material supplier finance program obligations.

Significant Accounting Policies

Our significant accounting policies are disclosed below or included within the topic-specific notes included herein.

Cash and Cash Equivalents and Short-Term Investments

Short-term, highly liquid investments with maturities of three months or less when purchased are classified as cash and cash equivalents. Investments with maturities of greater than three months, but not in excess of one year, when purchased are classified as short-term investments and are stated at fair value. Investments with maturities beyond one year when purchased may be classified as short-term investments if they are expected to be available to support our short-term liquidity needs. Our short-term investments in debt securities purchased prior to October 1, 2022 are classified as fair value investments under the fair value option and unrealized gains and losses are recorded in non-operating expense. As we return to our pre-pandemic investment strategy for these assets, our short-term investments in debt securities purchased after October 1, 2022 are classified as available-for-sale investments and are stated at fair value with unrealized gains and losses recorded in accumulated other comprehensive income/(loss) ("AOCI"). Realized gains and losses on these investments are recorded in non-operating expense.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets ("balance sheets") that sum to the total of the same such amounts shown within the Consolidated Statements of Cash Flows ("cash flows statement").

Reconciliation of cash, cash equivalents and restricted cash

	December 31,		
(in millions)	**2022**	**2021**	**2020**
Current assets:			
Cash and cash equivalents	$ 3,266	$ 7,933	$ 8,307
Restricted cash included in prepaid expenses and other	138	163	192
Noncurrent assets:			
Restricted cash included in other noncurrent assets	69	473	1,556
Total cash, cash equivalents and restricted cash	$ 3,473	$ 8,569	$ 10,055

Inventories

Fuel. As part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel, our wholly owned subsidiary, Monroe Energy, LLC ("Monroe"), operates the Trainer oil refinery. Refined products (finished goods) and feedstock and blendstock inventories (work-in-process) are both carried at the lower of cost and net realizable value. We use jet fuel in our airline operations that is produced by the refinery and procured through the exchange with third parties of gasoline, diesel and other refined products ("non-jet fuel products") the refinery produces. Cost is determined using the first-in, first-out method. Costs include the raw material consumed plus direct manufacturing costs (such as labor, utilities and supplies) as incurred and an applicable portion of manufacturing overhead.

We expense the cost of carbon offsets upon retirement within aircraft fuel and related taxes on our income statement as these costs are related to our carbon emissions generated by our airline segment. The purchase of carbon offsets is included in operating activities on our cash flows statement. During 2022, we purchased and retired $116 million of carbon offsets which relate to a portion of our airline segment's 2021 and March 2022 quarter carbon emissions. During 2021, we purchased and retired $95 million of carbon offsets, which related to a portion of our airline segment's 2020 and 2021 carbon emissions.

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

Accounting for Refinery Related Buy/Sell Agreements

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

Derivatives

Changes in fuel prices, interest rates and foreign currency exchange rates impact our results of operations. In an effort to manage our exposure to these risks, we may enter into derivative contracts and adjust our derivative portfolio as market conditions change. Our derivative contracts are recognized at fair value on our balance sheets and had net balances of $47 million and $17 million at December 31, 2022 and 2021, respectively.

Long-Lived Assets

Our long-lived lived assets, including flight equipment, which consists of aircraft and associated engines and parts, operating lease right-of-use ("ROU") assets and other long-lived assets, are recorded in property and equipment, net and operating lease right-of-use assets on our balance sheets. See Note 7, "Leases," for further information regarding our leases. The following table summarizes our property and equipment:

Property and equipment by classification

		December 31,	
(in millions, except for estimated useful life)	**Estimated Useful Life**	**2022**	**2021**
Flight equipment	25-34 years	$ 38,091	$ 33,368
Ground property and equipment	3-40 years	8,996	7,758
Information technology-related assets	3-15 years	3,375	3,389
Flight and ground equipment under finance leases	Shorter of lease term or estimated useful life	1,950	2,052
Advance payments for equipment		1,067	853
Less: accumulated depreciation and amortization[(1)]		(20,370)	(18,671)
Total property and equipment, net		$ 33,109	$ 28,749

(1) Includes accumulated amortization for flight and ground equipment under finance leases in the amount of $463 million and $456 million at December 31, 2022 and 2021, respectively.

We record property and equipment at cost and depreciate or amortize these assets on a straight-line basis to their estimated residual values over their estimated useful lives. The estimated useful life for leasehold improvements is the shorter of lease term or estimated useful life. Depreciation and amortization expense related to our property and equipment was $2.1 billion, $2.0 billion and $2.3 billion for the years ended December 31, 2022, 2021 and 2020, respectively. Residual values for owned aircraft, engines, spare parts and simulators are generally 5% to 10% of cost.

We capitalize certain internal and external costs incurred to develop and implement software and amortize those costs over an estimated useful life of three to fifteen years. Included in the depreciation and amortization expense discussed above, we recorded $307 million, $301 million and $304 million for amortization of capitalized software for the years ended December 31, 2022, 2021 and 2020, respectively. The net book value of these assets, which are included in information technology-related assets above, totaled $891 million and $876 million at December 31, 2022 and 2021, respectively.

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

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

To determine whether impairments exist for aircraft used in operations, we group assets at the fleet type level or at the contract level for aircraft operated by third-party regional carriers (i.e., the lowest level for which there are identifiable cash flows) and then estimate future cash flows based on projections of capacity, passenger mile yield, fuel and labor costs and other relevant factors. If an asset group is impaired, the impairment loss recognized is the amount by which the asset group's carrying amount exceeds its estimated fair value. We estimate aircraft fair values using published sources, appraisals and bids received from third parties, as available. Due to the impacts of the COVID-19 pandemic, during 2020 we removed a significant portion of our mainline and regional aircraft from active service and evaluated our fleet for impairment, determining that only certain fleet types were impaired, as the future cash flows from the operation of these fleet types through the respective retirement dates were lower than the carrying value.

Due to the recovery in demand that we experienced throughout 2021 and 2022, we decided not to retire any additional aircraft and returned to service a majority of the aircraft that were temporarily parked in 2020. We recorded no further impairments during 2021 or 2022. See Note 15, "Government Grants and Restructuring," for additional details regarding these impairments and related charges.

Income Taxes

We account for deferred income taxes under the liability method. We recognize deferred tax assets and liabilities based on the tax effects of temporary differences between the financial statement and tax basis of assets and liabilities, as measured by current enacted tax rates. Deferred tax assets and liabilities are net by jurisdiction and are recorded as noncurrent on the balance sheet.

We have elected to recognize earnings of foreign affiliates that are determined to be global intangible low tax income in the period it arises and do not recognize deferred taxes for basis differences that may reverse in future years.

A valuation allowance is recorded to reduce deferred tax assets when necessary. We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is more likely than not that we will be unable to realize our deferred income tax assets. In making this determination, we consider available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results and tax planning strategies. See Note 11, "Income Taxes," for further information on our deferred income taxes.

Fuel Card Obligation

We have a purchasing card with American Express for the purpose of buying jet fuel and crude oil. The card carried a maximum credit limit of $1.1 billion as of December 31, 2022 and must be paid monthly. At both December 31, 2022 and 2021, we had $1.1 billion outstanding on this purchasing card and the activity was classified as a financing activity in our cash flows statement.

Retirement of Repurchased Shares

We immediately retire shares repurchased pursuant to any share repurchase program. We allocate the share purchase price in excess of par value between additional paid-in capital and retained earnings.

Manufacturers' Credits

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

Maintenance Costs

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

Advertising Costs

We expense advertising costs in passenger commissions and other selling expenses in the year the advertising first takes place. Advertising expense was $302 million, $198 million and $119 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Commissions and Merchant Fees

Passenger sales commissions and merchant fees are recognized in passenger commissions and other selling expenses when the related revenue is recognized.

NOTE 2. REVENUE RECOGNITION

Passenger Revenue

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

Passenger revenue by category

	Year Ended December 31,		
(in millions)	**2022**	**2021**	**2020**
Ticket	$ 35,626	$ 19,339	$ 10,970
Loyalty travel awards	2,898	1,786	935
Travel-related services	1,694	1,394	978
Total passenger revenue	$ 40,218	$ 22,519	$ 12,883

Ticket

Passenger Tickets. We defer sales of passenger tickets to be flown by us or that we sell on behalf of other airlines in our air traffic liability. Passenger revenue is recognized when we provide transportation or when the ticket expires unused ("ticket breakage"). For tickets that we sell on behalf of other airlines, we reduce the air traffic liability when consideration is remitted to those airlines. The air traffic liability primarily includes sales of passenger tickets with scheduled departure dates in the future and credits which can be applied as payment toward the cost of a ticket ("travel credits"). Travel credits are typically issued as a result of ticket cancellations prior to their expiration dates. We periodically evaluate the estimated air traffic liability and may record adjustments in our income statement. These adjustments relate primarily to ticket breakage, refunds, exchanges, transactions with other airlines and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

We recognized approximately $4.2 billion, $2.2 billion and $3.1 billion in passenger revenue during the years ended December 31, 2022, 2021 and 2020, respectively, that had been recorded in our air traffic liability balance at the beginning of those periods.

The air traffic liability typically increases during the winter and spring months as advanced ticket sales grow prior to the summer peak travel season and decreases during the summer and fall months. Beginning with the COVID-19 pandemic in the March 2020 quarter through 2021, reduced demand for air travel resulted in a lower level of advance bookings and the associated cash received than we had historically experienced, which had been impacting the typical seasonal trend of air traffic liability. However, demand improved during 2022 as consumers regained confidence to travel and increased ticket purchases for travel further in advance.

Ticket Breakage. We estimate the value of ticket breakage and recognize revenue at the scheduled flight date. Our ticket breakage estimates are primarily based on historical experience, ticket contract terms and customers' travel behavior. Given the impact of the COVID-19 pandemic on customer behavior and changes made in ticket validity terms, as well as the elimination of change fees for most tickets as discussed below, our estimates of revenue that will be recognized from the air traffic liability for unused tickets may vary in future periods.

Extension to Ticket Validity. In order to provide our customers more flexibility and time to plan their travel, travel credit holders as of January 2022 and customers who purchased a ticket in 2022 are able to rebook their ticket through December 31, 2023 for travel throughout 2024.

Regional Carriers. Our regional carriers include both third-party regional carriers with which we have contract carrier agreements ("contract carriers") and Endeavor Air, Inc., our wholly owned subsidiary. Our contract carrier agreements are primarily structured as capacity purchase agreements where we purchase all or a portion of the contract carrier's capacity and are responsible for selling the seat inventory we purchase. We record revenue related to our capacity purchase agreements in passenger revenue and the related expenses in regional carrier expense.

Loyalty Travel Awards

Loyalty travel awards revenue is related to the redemption of miles for travel. We recognize loyalty travel awards revenue in passenger revenue as miles are redeemed and transportation is provided. See below for discussion of our loyalty program accounting policies.

Travel-Related Services

Travel-related services are primarily composed of services performed in conjunction with a passenger’s flight, including baggage fees, on-board sales and administrative fees. We recognize revenue for these services when the related transportation service is provided.

Delta has eliminated change fees for tickets originating in the United States, Canada, Europe and Africa (excluding Basic Economy tickets). A change fee waiver continues to apply for travel originating in Asia and the Pacific. Starting in 2022, Basic Economy tickets may be cancelled for a charge to receive a partial ticket credit.

Loyalty Program

Our SkyMiles loyalty program generates customer loyalty by rewarding customers with incentives to travel on Delta. This program allows customers to earn mileage credits ("miles") by flying on Delta, Delta Connection carriers and other airlines that participate in the loyalty program. When traveling, customers earn miles primarily based on the passenger's loyalty program status, fare class and ticket price. Customers can also earn miles through participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies. Miles are redeemable by customers in future periods for air travel on Delta and other participating airlines, access to our Sky Club and other program awards. To facilitate transactions with participating companies, we sell miles to non-airline businesses, customers and other airlines.

The loyalty program includes two types of transactions that are considered revenue arrangements with multiple performance obligations (1) passenger ticket sales earning miles and (2) sale of miles to participating companies.

Passenger Ticket Sales Earning Miles. Passenger ticket sales earning miles provide customers with (1) miles earned and (2) air transportation, which are each considered performance obligations. We value each performance obligation on a standalone basis. To value the miles earned, we consider the quantitative value a passenger receives by redeeming miles for a ticket rather than paying cash, which is referred to as equivalent ticket value ("ETV"). Our estimate of ETV is adjusted for miles that are not likely to be redeemed ("mileage breakage"). We use statistical models to estimate mileage breakage based on historical redemption patterns. A change in assumptions regarding the redemption activity for miles or the estimated fair value of miles expected to be redeemed could have a material impact on our revenue in the year in which the change occurs and in future years. We recognize mileage breakage proportionally during the period in which the remaining miles are actually redeemed.

We defer revenue for the miles when earned and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. We record the air transportation portion of the passenger ticket sales in air traffic liability and recognize passenger revenue when we provide transportation or if the ticket goes unused.

Sale of Miles to Participating Companies. Customers earn miles based on their spending with participating companies such as credit card companies, hotels, car rental agencies and ridesharing companies with which we have marketing agreements to sell miles. Our contracts to sell miles under these marketing agreements have multiple performance obligations. Payments are typically due to us monthly based on the volume of miles sold during the period, and the initial terms of our marketing contracts are from three to eleven years. During the years ended December 31, 2022, 2021 and 2020, total cash sales from marketing agreements related to our loyalty program were $5.7 billion, $4.1 billion and $2.9 billion, respectively, which are allocated to travel and other performance obligations, as discussed below.

Our most significant contract to sell miles relates to our co-brand credit card relationship with American Express. Our agreements with American Express provide for joint marketing, grant certain benefits to Delta-American Express co-branded credit card holders ("cardholders") and American Express Membership Rewards program participants, and allow American Express to market its services or products using our customer database. Cardholders earn miles for making purchases using co-branded cards, and certain cardholders may also check their first bag for free, are granted discounted access to Delta Sky Club lounges and receive priority boarding and other benefits while traveling on Delta. Additionally, participants in the American Express Membership Rewards program may exchange their points for miles under the loyalty program. We sell miles at agreed-upon rates to American Express which are then provided to their customers under the co-brand credit card program and the Membership Rewards program.

We account for marketing agreements, including those with American Express, by allocating the consideration to the individual products and services delivered. We allocate the value based on the relative selling prices of those products and services, which generally consist of award travel, priority boarding, baggage fee waivers, lounge access and the use of our brand. We determine our best estimate of the selling prices by using a discounted cash flow analysis using multiple inputs and assumptions, including (1) the expected number of miles awarded and number of miles redeemed, (2) ETV for the award travel obligation adjusted for mileage breakage, (3) published rates on our website for baggage fees, discounted access to Delta Sky Club lounges and other benefits while traveling on Delta, (4) brand value (using estimated royalties generated from the use of our brand) and (5) volume discounts provided to certain partners.

We defer the amount allocated to award travel as part of loyalty program deferred revenue and recognize loyalty travel awards in passenger revenue as the miles are redeemed and transportation is provided. Revenue allocated to services performed in conjunction with a passenger's flight, such as baggage fee waivers, is recognized as travel-related services in passenger revenue when the related service is performed. Revenue allocated to access Delta Sky Club lounges is recognized as miscellaneous in other revenue as access is provided. Revenue allocated to the remaining performance obligations, primarily brand value, is recorded as loyalty program in other revenue as miles are delivered.

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

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

Loyalty program activity

(in millions)	2022	2021	2020
Balance at January 1	$ 7,559	$ 7,182	$ 6,728
Miles earned	3,419	2,238	1,437
Travel miles redeemed	(2,898)	(1,786)	(935)
Non-travel miles redeemed	(198)	(75)	(48)
Balance at December 31	$ 7,882	$ 7,559	$ 7,182

The timing of mile redemptions can vary widely; however, the majority of new miles have historically been redeemed within two years of being earned. The loyalty program deferred revenue classified as a current liability represents our estimate of revenue expected to be recognized in the next twelve months based on projected redemptions, while the balance classified as a noncurrent liability represents our estimate of revenue expected to be recognized beyond twelve months.

Cargo Revenue

Cargo revenue is recognized when we provide the transportation.

Other Revenue

(in millions)	Year Ended December 31, 2022	2021	2020
Refinery	$ 4,977	$ 3,229	$ 1,150
Loyalty program	2,597	1,770	1,458
Ancillary businesses	846	793	648
Miscellaneous	894	556	348
Total other revenue	$ 9,314	$ 6,348	$ 3,604

Refinery. This represents refinery sales to third parties. See Note 14, "Segments," for more information on revenue recognition within our refinery segment.

Loyalty Program. This relates to brand usage by third parties and other performance obligations embedded in miles sold, including redemption of miles for non-travel awards. These revenues are included within the total cash sales from marketing agreements, discussed above.

Ancillary Businesses. This includes aircraft maintenance services we provide to third parties and our vacation wholesale operations.

Miscellaneous. This is primarily composed of lounge access, including access provided to certain American Express cardholders, and codeshare revenues.

Revenue by Geographic Region

Operating revenue for the airline segment is recognized in a specific geographic region based on the origin, flight path and destination of each flight segment. A significant portion of the refinery segment's revenues typically consists of fuel sales to support the airline, which is eliminated in the Consolidated Financial Statements. The remaining operating revenue for the refinery segment is included in the domestic region. Our passenger and operating revenue by geographic region is summarized in the following table:

Revenue by geographic region

(in millions)	Passenger Revenue Year Ended December 31, 2022	2021	2020	Operating Revenue Year Ended December 31, 2022	2021	2020
Domestic	$ 30,197	$ 18,468	$ 10,041	$ 38,478	$ 24,320	$ 13,339
Atlantic	6,093	1,777	1,171	7,429	2,537	1,649
Latin America	2,889	1,873	1,113	3,334	2,284	1,321
Pacific	1,039	401	558	1,341	758	786
Total	$ 40,218	$ 22,519	$ 12,883	$ 50,582	$ 29,899	$ 17,095

Accounts Receivable

Accounts receivable primarily consist of amounts due from credit card companies from the sale of passenger tickets, ancillary businesses, refinery sales and other companies for the purchase of miles under the loyalty program. We provide an allowance for uncollectible accounts using an expected credit loss model which represents our estimate of expected credit losses over the lifetime of the asset. In 2020, due to the COVID-19 pandemic, we recorded reserves on certain receivables, which are discussed further in Note 15, "Government Grants and Restructuring".

Passenger Taxes and Fees

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

NOTE 3. FAIR VALUE MEASUREMENTS

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. Each fair value measurement is classified into one of the following levels based on the information used in the valuation:

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

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

(a) *Market Approach*. Prices and other relevant information generated by observable transactions involving identical or comparable assets or liabilities.

(b) *Income Approach.* Techniques to convert future amounts to a single present value amount based on market expectations (including present value techniques and option-pricing models).

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

(in millions)	December 31, 2022 Total	Level 1	Level 2	Level 3	Valuation Technique
Cash equivalents	$ 2,021	$ 2,021	$ —	$ —	(a)
Restricted cash equivalents	206	206	—	—	(a)
Short-term investments					
U.S. Government securities	1,587	122	1,465	—	(a)
Corporate obligations	1,614	—	1,614	—	(a)
Other fixed income securities	67	—	67	—	(a)
Long-term investments	1,450	1,305	38	107	(a)(b)
Hedge derivatives, net					
Fuel hedge contracts	(47)	—	(47)	—	(a)(b)

(in millions)	December 31, 2021 Total	Level 1	Level 2	Level 3	Valuation Technique
Cash equivalents	$ 5,450	$ 5,450	$ —	$ —	(a)
Restricted cash equivalents	635	635	—	—	(a)
Short-term investments					
U.S. Government securities	3,386	1,376	2,010	—	(a)
Long-term investments	1,459	1,326	36	97	(a)(b)
Hedge derivatives, net					
Fuel hedge contracts	(18)	—	(18)	—	(a)(b)

[1] See Note 9, "Employee Benefit Plans," for fair value of benefit plan assets.

Cash Equivalents and Restricted Cash Equivalents. Cash equivalents generally consist of money market funds. Restricted cash equivalents are recorded in prepaid expenses and other and other noncurrent assets on our balance sheets and generally consist of money market funds, time deposits, commercial paper and negotiable certificates of deposit, which primarily relate to certain self-insurance obligations and airport commitments as well as proceeds from debt issued to finance, among other things, a portion of the construction costs for our new terminal facilities at New York's LaGuardia Airport. The fair value of these cash equivalents is based on a market approach using prices generated by market transactions involving identical or comparable assets.

Short-Term Investments. The fair values of our short-term investments are based on a market approach using industry standard valuation techniques that incorporate observable inputs such as quoted market prices, interest rates, benchmark curves, credit ratings of the security and other observable information.

As of December 31, 2022, the estimated fair value of our short-term investments was $3.3 billion. Of these investments, $2.8 billion are expected to mature in one year or less, with the remainder maturing by the first half of 2024.

Long-Term Investments. Our long-term investments measured at fair value primarily consist of equity investments, which are valued based on market prices or other observable transactions and inputs, and are recorded in equity investments on our balance sheet. Our equity investments in private companies are classified as Level 3 in the fair value hierarchy as their equity is not traded on a public exchange and our valuations incorporate certain unobservable inputs, including non-public equity issuances. Fair value measurement using unobservable inputs is inherently uncertain, and a change in significant inputs could result in different fair values. During the year ended December 31, 2022 there were no material gains or losses related to investments classified as Level 3 as a result of fair value adjustments. See Note 4, "Investments," for further information on our long-term investments.

Hedge Derivatives. A portion of our derivative contracts may be negotiated over-the-counter with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk). Such contracts would be classified as Level 2 within the fair value hierarchy. The remainder of our hedge contracts may be comprised of futures contracts, which are traded on a public exchange. These contracts would be classified within Level 1 of the fair value hierarchy.

- *Fuel Hedge Contracts.* Our derivative contracts to hedge the financial risk from changing fuel prices are primarily related to Monroe’s inventory. Our fuel hedge portfolio may consist of a combination of options, swaps or futures. Option and swap contracts are valued under income approaches using option pricing models and discounted cash flow models, respectively, based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. Futures contracts and options on futures contracts are traded on a public exchange and valued based on quoted market prices. We recognized losses of $394 million, $146 million and gains of $85 million on our fuel hedge contracts in aircraft fuel and related taxes on our income statement for the years ended December 31, 2022, 2021 and 2020, respectively. The losses recognized during 2022 were composed of $365 million of settlements on contracts and $29 million of mark-to-market adjustments. Expense from the settlement of closed contracts is offset by higher operating profits at Monroe from higher pricing. See Note 14, "Segments," for further information on our Monroe refinery segment.

NOTE 4. INVESTMENTS

We have developed strategic relationships with a number of airlines and airline services companies through joint ventures and other forms of cooperation and support, including equity investments. Our equity investments reinforce our commitment to these relationships and generally enhance our ability to offer input to the investee on strategic issues and direction, in some cases through representation on the board of directors.

Changes in the valuation of investments accounted for at fair value are recorded in gain/(loss) on investments, net in our income statement within non-operating expense and are driven by changes in stock prices, other valuation techniques for investments in companies without publicly-traded shares and foreign currency fluctuations.

Our share of our equity method investees' financial results is recorded in impairments and equity method results in our income statement under non-operating expense, except as noted below for Unifi Aviation. If an investment accounted for under the equity method experiences a loss in value that is determined to be other than temporary, we will reduce our carrying value of the investment to fair value and record the loss in impairments and equity method results in our income statement.

Equity investments ownership interest and carrying value

	Accounting Treatment	Ownership Interest		Carrying Value	
(in millions)		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Air France-KLM	Fair Value	3 %	6 %	$ 97	$ 165
China Eastern	Fair Value	2 %	2 %	189	177
CLEAR	Fair Value	5 %	6 %	227	260
Grupo Aeroméxico	Equity Method	20 %	51 %	412	—
Hanjin-KAL	Fair Value[(1)]	15 %	13 %	296	455
LATAM	Fair Value	10 %	20 %	403	—
Unifi Aviation	Equity Method[(2)]	49 %	49 %	165	159
Wheels Up	Fair Value[(3)]	21 %	21 %	54	241
Other investments	Various			285	255
Equity investments				$ 2,128	$ 1,712

(1) At December 31, 2022, we held 14.8% of the outstanding shares (including common and preferred), and 14.9% of the common shares, of Hanjin KAL.
(2) Results are included in contracted services in our income statement as this entity is integral to the operations of our business by providing services at many of our airport locations.
(3) We elected to account for our investment under the fair value option.

Grupo Aeroméxico. In the March 2022 quarter, Grupo Aeroméxico ("Aeroméxico") emerged from its voluntary proceedings to reorganize under Chapter 11 of the United States bankruptcy code ("bankruptcy process"). At the conclusion of the bankruptcy process, Aeroméxico's previously outstanding capital stock was consolidated and exchanged for less than 0.01% of new capital stock, which effectively eliminated our historical 51% ownership stake. Upon emergence, Delta received a 20% equity stake in the newly restructured Aeroméxico in exchange for (1) our receivables under Aeroméxico's debtor-in-possession financing, (2) $100 million (recorded as an investing outflow on our cash flows statement), and (3) our agreement to provide expanded commercial services to Aeroméxico in future periods.

LATAM. In the December 2022 quarter, LATAM Airlines Group S.A. ("LATAM") emerged from its voluntary proceedings to reorganize under the bankruptcy process. Upon emergence, Delta received full repayment of our outstanding debtor-in-possession financing. We purchased LATAM's New Convertible Notes for $657 million and subsequently converted the Notes to common stock, representing a 10% equity stake in the newly restructured LATAM.

Other Investments

This category includes various investments that are accounted for at fair value or under the equity method, depending on our ownership interest and the level of influence conveyed by our investment. Included in this category is our investment in Virgin Atlantic.

Virgin Atlantic. The carrying value of our investment in Virgin Atlantic remains zero as of December 31, 2022. We maintain our 49% equity interest and continue to track our share of Virgin Atlantic's losses under the equity method of accounting. These previously unrecognized losses are only recorded to the extent we make additional investments in Virgin Atlantic (i.e., additional shareholder support). As of December 31, 2022, we have approximately $300 million of unrecognized equity method losses related to our 49% interest in Virgin Atlantic.

We also have an investment in JFK IAT Member LLC which is accounted for under the equity method and is discussed further in Note 8, "Airport Redevelopment."

NOTE 5. GOODWILL AND INTANGIBLE ASSETS

Goodwill and Indefinite-Lived Intangible Assets

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

We value goodwill and indefinite-lived intangible assets primarily using market and income approach valuation techniques. These measurements include the following key assumptions (1) forecasted revenues, expenses and cash flows, including the duration and extent of impact to our business and our alliance partners from the COVID-19 pandemic, (2) current discount rates, (3) observable market transactions and (4) anticipated changes to the regulatory environment (e.g., changes in slot access and/or availability, additional Open Skies agreements or changes to antitrust approvals). These assumptions are consistent with those that hypothetical market participants would use. Because we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates. We recognize an impairment charge if the asset's carrying value exceeds its estimated fair value.

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

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

As a result of the significant impact the COVID-19 pandemic had on our market capitalization, profitability and overall travel demand, we performed a quantitative valuation of our goodwill and indefinite-lived intangible assets during the December 2020 quarter. These quantitative impairment tests of goodwill and intangibles concluded that there was no indication of impairment as the fair value exceeded our carrying value. In the December 2022 quarter we performed qualitative assessments of goodwill and indefinite-lived intangible assets, including applicable factors noted above, and determined that there was no indication that the assets were impaired. Our qualitative assessments include analyses and weighting of all relevant factors that impact the fair value of our goodwill and indefinite-lived intangible assets.

Goodwill and indefinite-lived intangible assets by category

(in millions)	Carrying Value at December 31, 2022	Carrying Value at December 31, 2021	Excess Fair Value at 2020 Testing Date
Goodwill	$ 9,753	$ 9,753	>100%
International routes and slots	2,583	2,583	10% to 30%
Airline alliances	1,863	1,863	20% to >100%
Delta tradename	850	850	>100%
Domestic slots	622	622	60% to >100%
Total	$ 15,671	$ 15,671	

International Routes and Slots. This primarily relates to Pacific route authorities and slots at capacity-constrained airports in Asia, and slots at London-Heathrow airport.

Airline Alliances. This primarily relates to our commercial agreements with LATAM and our SkyTeam partners.

In the September 2022 quarter, final regulatory approval was granted for our trans-American joint venture agreement with LATAM. This agreement combines our highly complementary route networks between North and South America, with the goal of providing customers with a seamless travel experience and industry-leading connectivity. Approval was granted for a 10-year period with a subsequent reassessment and extension process. This agreement supports our strategic partnership with LATAM and the value of our $1.2 billion alliance-related indefinite-lived intangible asset. We believe the LATAM joint venture agreement will generate growth opportunities, building upon Delta's and LATAM's global footprint.

We have classified our LATAM alliance intangible asset as indefinite-lived as we expect to indefinitely receive the economic benefits from the relationship, similar to other joint venture arrangements between U.S. and foreign carriers that have been cleared by competition authorities in relevant foreign jurisdictions and granted antitrust immunity from the U.S. Department of Transportation ("DOT"). Antitrust immunity grants are generally subject to reporting requirements and periodic reassessment processes administered by the DOT. We have determined that there are currently no material legal, regulatory, contractual, competitive, economic or other factors that limit the useful life of our LATAM alliance-related intangible asset.

Domestic Slots. This primarily relates to our slots at New York-LaGuardia and Washington-Reagan National airports.

Definite-Lived Intangible Assets

Definite-lived intangible assets by category

	December 31, 2022		December 31, 2021	
(in millions)	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Marketing agreements	$ 730	$ (704)	$ 730	$ (700)
Maintenance contracts	192	(145)	193	(140)
Other	54	(53)	53	(53)
Total	$ 976	$ (902)	$ 976	$ (893)

Amortization expense was $9 million, $10 million and $10 million for the years ended December 31, 2022, 2021 and 2020, respectively. Based on our definite-lived intangible assets at December 31, 2022, we estimate that we will incur approximately $8 million of amortization expense annually from 2023 through 2027.

NOTE 6. DEBT

The following table summarizes our debt as of the dates indicated below:

Summary of outstanding debt by category

(in millions)	Maturity Dates	Interest Rate(s) Per Annum at December 31, 2022	December 31, 2022	December 31, 2021
Unsecured Payroll Support Program Loans	2030 to 2031	1.00%	$ 3,496	$ 3,496
Unsecured notes	2023 to 2029	2.90% to 7.38%	2,997	4,354
Financing arrangements secured by SkyMiles assets:				
SkyMiles Notes[1]	2023 to 2028	4.50% and 4.75%	5,144	6,000
SkyMiles Term Loan[1][2]	2023 to 2027	7.99%	2,820	2,820
Financing arrangements secured by aircraft:				
Certificates[1]	2023 to 2028	2.00% to 8.00%	1,802	1,932
Notes[1][2]	2023 to 2033	2.08% to 6.85%	813	1,139
NYTDC Special Facilities Revenue Bonds[1]	2023 to 2045	4.00% to 5.00%	2,838	2,894
Financing arrangements secured by slots, gates and/or routes:				
2020 Senior Secured Notes	2025	7.00%	1,542	2,589
2018 Revolving Credit Facility[2]	2024 to 2025	Undrawn	—	—
Other financings[1][2]	2023 to 2030	2.51% to 5.00%	67	68
Other revolving credit facilities[2]	2023 to 2025	Undrawn	—	—
Total secured and unsecured debt			21,519	25,292
Unamortized (discount)/premium and debt issuance cost, net and other			(138)	(208)
Total debt			21,381	25,084
Less: current maturities			(2,055)	(1,502)
Total long-term debt			$ 19,326	$ 23,582

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

Early Settlement of Outstanding Notes

In 2022, we completed a cash tender offer for an aggregate purchase price of $1.5 billion, excluding accrued and unpaid interest, of certain of our outstanding debt securities. As a result of the tender offer, we repurchased the following notes:

Notes Repurchased in Tender Offer

(in millions)	Location in debt table	Principal Repurchased	Amount Paid
4.500% Senior Secured Notes due 2025	SkyMiles Notes	$ 856	$ 850
7.000% Senior Secured Notes due 2025	2020 Senior Secured Notes	478	498
7.375% Notes due 2026	Unsecured Notes	84	87
3.800% Notes due 2023	Unsecured Notes	65	65
Total Notes Repurchased		$ 1,483	$ 1,500

During 2022, in addition to the cash tender offer, we also repurchased $778 million of various secured and unsecured notes on the open market. Collectively, these payments resulted in a $100 million loss on extinguishment of debt, which is recorded in non-operating expense in our income statement.

Availability Under Revolving Facilities

As of December 31, 2022, we had approximately $2.9 billion undrawn and available under our revolving credit facilities. In addition, we had $400 million of outstanding letters of credit as of December 31, 2022 that did not affect the availability under our revolvers.

Fair Value of Debt

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

Fair value of outstanding debt

(in millions)	December 31, 2022	December 31, 2021
Net carrying amount	$ 21,381	$ 25,084
Fair value	$ 20,700	$ 26,900

Covenants

Our debt agreements contain various affirmative, negative and financial covenants. For example, our credit facilities and our SkyMiles financing agreements, contain, among other things, a minimum liquidity covenant. The minimum liquidity covenant requires us to maintain at least $2.0 billion of liquidity (defined as cash, cash equivalents, short-term investments and aggregate principal amount committed and available to be drawn under our revolving credit facilities). Certain of our debt agreements also include collateral coverage ratios and limit our ability to (1) incur liens under certain circumstances, (2) dispose of collateral and (3) engage in mergers and consolidations or transfer all or substantially all of our assets. Our SkyMiles financing agreements include a debt service coverage ratio and also restrict our ability to, among other things, (1) modify the terms of the SkyMiles program, or otherwise change the policies and procedures of the SkyMiles program, in a manner that would reasonably be expected to materially impair repayment of the SkyMiles Debt, (2) sell pre-paid miles in excess of $550 million in the aggregate and (3) terminate or materially modify the intercompany arrangements governing the relationship between Delta and SkyMiles IP Ltd. with respect to the SkyMiles program.

Each of these restrictions, however, is subject to certain exceptions and qualifications that are set forth in these debt agreements. We were in compliance with the covenants in our debt agreements at December 31, 2022.

Future Maturities

The following table summarizes scheduled maturities of our debt for the years succeeding December 31, 2022:

Future debt maturities

(in millions)	Total Debt	Amortization of Debt (Discount)/Premium and Debt Issuance Cost, net and other	
2023	$ 2,058	$ (54)	
2024	2,809	(54)	
2025	2,882	(36)	
2026	2,838	(8)	
2027	2,493	(1)	
Thereafter	8,439	15	
Total	$ 21,519	$ (138)	$ 21,381

NOTE 7. LEASES

We lease property and equipment under finance and operating leases. For leases with terms greater than 12 months, we record the related asset and obligation at the present value of lease payments over the term. Many of our leases include rental escalation clauses, renewal options and/or termination options that are factored into our determination of lease payments when appropriate. We do not separate lease and nonlease components of contracts, except for regional aircraft and information technology ("IT") assets as discussed below.

We use the rate implicit in the lease to discount lease payments to present value, when readily determinable. As the rate implicit in the lease is rarely readily determinable, we use our incremental borrowing rate, which is based on the estimated interest rate for collateralized borrowing over a similar term of the lease at commencement date.

Some of our aircraft lease agreements include provisions for residual value guarantees. These guarantees represent an immaterial portion of our lease liability.

Aircraft

As of December 31, 2022, including aircraft operated by our regional carriers, we leased 221 aircraft, of which 105 were under finance leases and 116 were operating leases. Our aircraft leases had remaining lease terms of one month to 13 years.

In addition, we have regional aircraft leases that are embedded within our capacity purchase agreements and included in the ROU asset and lease liability. We allocated the consideration in each capacity purchase agreement to the lease and nonlease components based on their relative standalone value. Lease components of these agreements consist of 115 aircraft as of December 31, 2022 and nonlease components primarily consist of flight operations, in-flight and maintenance services. We determined our best estimate of the standalone value of the individual components by considering observable information including rates paid by our wholly owned subsidiary, Endeavor Air, Inc., and rates published by independent valuation firms. See Note 10, "Commitments and Contingencies," for additional information about our capacity purchase agreements.

Airport Facilities

Our facility leases are primarily for space at approximately 300 airports around the world that we serve. These leases reflect our use of airport terminals, office space, cargo warehouses and maintenance facilities. We generally lease space from government agencies that control the use of the airport, and as a result, these leases are classified as operating leases. The remaining lease terms vary from one month to 29 years. At the majority of the U.S. airports, the lease rates depend on airport operating costs or use of the facilities and are reset at least annually. Because of the variable nature of the rates, these leases are not recorded on our balance sheet as a ROU asset and lease liability.

Some airport facilities have fixed payment schedules, the most significant of which are New York-LaGuardia and New York-JFK. For those airport leases, we have recorded a ROU asset and lease liability representing the fixed component of the lease payments. See Note 8, "Airport Redevelopment," for more information on our significant airport redevelopment projects.

Other Ground Property and Equipment

We lease certain IT assets (including servers, mainframes, etc.), ground support equipment (including tugs, tractors, fuel trucks and de-icers), and various other equipment. The remaining lease terms range from one month to seven years. Certain leased assets are embedded within various ground and IT service agreements. For ground service contracts, we have elected to include both the lease and nonlease components in the lease asset and lease liability balances on our balance sheet. For IT service contracts, we have elected to separate the lease and nonlease components and only the lease components are included in the lease asset and lease liability balances on our balance sheet. The amounts of these lease and nonlease components are not significant.

Sale-Leaseback Transactions

In 2020, we entered into $2.8 billion of sale-leaseback transactions for 85 aircraft. Of these transactions, 74 did not qualify as a sale as they are finance leases or have an option to repurchase at a stated price. The assets associated with these transactions remain on our balance sheet within property and equipment, net and we recorded the related liabilities under the lease. These liabilities are classified within other accrued or other noncurrent liabilities on our balance sheet. The cash proceeds were treated as financing inflows on the cash flows statement.

The other 11 transactions qualified as sales, generating an immaterial loss, and the associated assets were removed from our balance sheet within property and equipment, net and recorded within ROU assets. The liabilities are recorded within current maturities of operating leases and noncurrent operating leases on our balance sheet. The cash proceeds were treated as investing cash inflows on the cash flows statement.

Lease Position

The table below presents the lease-related assets and liabilities recorded on the balance sheet.

Lease asset and liability balance sheet position by category

		December 31,	
(in millions)	**Classification on the Balance Sheet**	**2022**	**2021**
Assets			
Operating lease assets	Operating lease right-of-use assets	$ 7,036	$ 7,237
Finance lease assets	Property and equipment, net	1,487	1,596
Total lease assets		$ 8,523	$ 8,833
Liabilities			
Current			
Operating	Current maturities of operating leases	$ 714	$ 703
Finance	Current maturities of debt and finance leases	304	280
Noncurrent			
Operating	Noncurrent operating leases	6,866	7,056
Finance	Debt and finance leases	1,345	1,556
Total lease liabilities		$ 9,229	$ 9,595
Weighted-average remaining lease term			
Operating leases		13 years	13 years
Finance leases		5 years	6 years
Weighted-average discount rate			
Operating leases		4.30 %	3.81 %
Finance leases		3.05 %	3.36 %

Lease Costs

The table below presents certain information related to the lease costs for finance and operating leases.

Lease cost by category

	Year Ended December 31,		
(in millions)	**2022**	**2021**	**2020**
Finance lease cost			
Amortization of leased assets	$ 120	$ 131	$ 131
Interest of lease liabilities	45	55	32
Operating lease cost[(1)]	949	863	1,019
Short-term lease cost[(1)]	281	245	264
Variable lease cost[(1)]	1,859	1,599	1,406
Total lease cost	$ 3,254	$ 2,893	$ 2,852

(1) Expenses are primarily classified within aircraft rent, landing fees and other rents and regional carrier expense on our income statement.

Other Information

The table below presents supplemental cash flow information related to leases.

Supplemental lease-related cash flow information

	Year Ended December 31,		
(in millions)	**2022**	**2021**	**2020**
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows for operating leases	$ 809	$ 999	$ 1,053
Operating cash flows for finance leases	49	46	32
Financing cash flows for finance leases	363	336	255

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities recorded on the balance sheet.

Future lease cash flows and reconciliation to the balance sheet

(in millions)	**Operating Leases**	**Finance Leases**
2023	$ 976	$ 343
2024	946	375
2025	923	237
2026	836	174
2027	805	192
Thereafter	5,323	470
Total minimum lease payments	9,809	1,791
Less: amount of lease payments representing interest	(2,229)	(142)
Present value of future minimum lease payments	7,580	1,649
Less: current obligations under leases	(714)	(304)
Long-term lease obligations	$ 6,866	$ 1,345

As of December 31, 2022, we had additional leases that had not yet commenced of $242 million. These leases will commence in 2023 to 2024 with lease terms of 7 to 10 years.

NOTE 8. AIRPORT REDEVELOPMENT

New York-JFK Airport

We are enhancing and expanding our facilities at Terminal 4 of JFK to strengthen our competitive position and offer a premium travel experience for customers in New York City. Terminal 4 is operated by JFK International Air Terminal LLC ("IAT"), a private party, under its lease with the Port Authority of New York and New Jersey ("Port Authority"). We have a long-term agreement with IAT to sublease space in Terminal 4 through 2043 ("Sublease").

In 2021, the Port Authority approved plans to renovate and expand Terminal 4 in order to facilitate Delta's relocation from Terminal 2 and consolidation of its operations into Terminal 4. The project will add 10 new gates and other complementary facilities, including an additional Delta Sky Club and a new Delta One lounge. The project is estimated to cost approximately $1.6 billion and will be funded primarily with bonds issued in 2022 by the New York Transportation Development Corporation ("NYTDC") for which our landlord, IAT, is the obligor. The majority of project costs are being used to expand or modify Delta's leased premises. Construction started in late 2021 and Delta's portion of the project is estimated to be complete by early 2024. Based on our assessment of the project, we concluded that we do not control the underlying assets being constructed, and therefore, we do not have the project asset or related obligation recorded on our balance sheet.

In 2022, we amended our Sublease to provide for the expansion project, including the adjustment of our subleased space and rentals. We have recognized a ROU asset and lease liability representing the fixed component of the lease payments for this facility and as the majority of the project either expands or modifies Delta's leased premises, our lease liability will increase upon completion. As of December 31, 2022, our lease liability related to this Sublease was $2.3 billion. See Note 7, "Leases" for more information on our ROU assets and lease liabilities.

Equity Investment. We have an equity method investment in JFK IAT Member LLC, which owns IAT. The Sublease requires us to pay certain fixed management fees. We determined the investment is a variable interest entity and assessed whether we have a controlling financial interest in IAT. Our rights under the Sublease, with respect to management of Terminal 4, are consistent with rights granted to an anchor tenant under a standard airport lease. Accordingly, we do not consolidate this entity in our Consolidated Financial Statements. See Note 4, "Investments" for additional information on our equity investments.

Los Angeles International Airport ("LAX")

As part of the terminal redevelopment project at LAX, we are modernizing, upgrading, and providing post-security connection to Terminals 2 and 3. We announced this project and executed a modified lease agreement during 2016 with the City of Los Angeles (the "City"), which owns and operates LAX. This project includes a new centralized ticketing and arrival hall, a new security checkpoint, core infrastructure to support the City's planned airport people mover, ramp improvements and a post-security connector to the north side of the Tom Bradley International Terminal.

The project is expected to cost approximately $2.4 billion. A substantial majority of the project costs are being funded through the Regional Airports Improvement Corporation ("RAIC"), a California public benefit corporation, using a revolving credit facility provided by a group of lenders. The credit facility was executed in 2017 and we have guaranteed the obligations of the RAIC under the credit facility. The revolving credit facility agreement was most recently amended in January 2023, decreasing the revolver capacity from $800 million to $700 million. Loans made under the credit facility are being repaid with the proceeds from the City's purchase of completed project assets. Under the lease agreement and subsequent project component approvals by the City's Board of Airport Commissioners, the City has appropriated to date approximately $1.8 billion to purchase completed project assets, representing the maximum allowable reimbursement by the City. Costs incurred in excess of the $1.8 billion maximum will not be reimbursed by the City. We currently expect our net project costs to be approximately $600 million, of which approximately $350 million has been reflected as investing activities in our cash flows statement since the project started in 2017. Based on our assessment of the project, we concluded that we do not control the underlying assets being constructed, and therefore, we do not have the project asset or related obligation recorded on our balance sheet.

Given reduced passenger volumes resulting from the COVID-19 pandemic, we accelerated the construction schedule for this project in 2020. Additionally, we enhanced the project's scope to include a more customer-friendly design of Terminal 3, an expanded Delta Sky Club and baggage system upgrades designed to increase the terminals' operational efficiency going forward. In 2022, we opened a new consolidated headhouse for both terminals, which includes ticketing, security, baggage claim and a new Delta Sky Club lounge and have a total of 11 of 14 planned new gates now open in Terminal 3. Construction is expected to be completed in 2023.

Due to the variable nature of lease payments in our agreement with the City, we have not recognized a ROU asset and lease liability on our balance sheet. See Note 7, "Leases" for more information on our ROU assets and lease liabilities.

New York-LaGuardia Airport

As part of the terminal redevelopment project at LaGuardia Airport, we are partnering with the Port Authority to replace Terminals C and D with a new state-of-the-art terminal facility consisting of 37 gates across four concourses connected to a central headhouse. The terminal will feature a new, larger Delta Sky Club, wider concourses, more gate seating and nearly double the amount of concessions space than the existing terminals. The facility will also offer direct access between the parking garage and terminal and improved roadways and drop-off/pick-up areas. Construction is underway and is being phased to limit passenger inconvenience. Due to an acceleration effort that commenced in 2020, completion is expected by 2025.

In 2019, we opened Concourse G, the first of four new concourses, housing seven of the 37 new gates. In 2022, we achieved a significant milestone by opening the headhouse (including the Delta Sky Club), the terminal roadways and Concourse E - the second of four new concourses to be built. Additionally, we opened four of 12 planned new gates on Concourse F.

In connection with the redevelopment, during 2017, we entered into an amended and restated terminal lease with the Port Authority with a term through 2050. Pursuant to the lease agreement, as amended to date, we will (1) fund (through debt issuance and existing cash) and undertake the design, management and construction of the terminal and certain off-premises supporting facilities, (2) receive a Port Authority contribution of approximately $500 million to facilitate construction of the terminal and other supporting infrastructure, (3) be responsible for all operations and maintenance during the term of the lease and (4) have preferential rights to all gates in the terminal subject to Port Authority requirements with respect to accommodation of designated carriers.

The project is expected to cost $4.3 billion. We currently expect our net project cost to be approximately $3.8 billion and we bear the risks of project construction, including any potential cost over-runs. We entered into loan agreements to fund a portion of the construction, which are recorded on our balance sheet as debt with the proceeds reflected as restricted cash. Using funding primarily provided by these arrangements, we spent approximately $650 million, $950 million and $600 million during 2022, 2021, and 2020 respectively, bringing the total amount spent on the project to date to approximately $3.2 billion. Based on our assessment of the project, we concluded that we do not control the underlying assets being constructed. Costs incurred by Delta are accounted for as leasehold improvements recorded in property and equipment, net on our balance sheets. See Note 6, "Debt," for additional information on the debt (NYTDC Special Facilities Revenue Bonds) related to this redevelopment project.

NOTE 9. EMPLOYEE BENEFIT PLANS

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

Defined Benefit Pension Plans. We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and frozen for future benefit accruals. Our funding obligations for qualified defined benefit plans are governed by the Employee Retirement Income Security Act and any applicable legislation. Under the Pension Protection Act of 2006, we elected alternative funding rules so that the unfunded liability for a frozen defined benefit plan may be amortized over a fixed 17-year period and is calculated using an 8.85% discount rate until the 17-year period expires for all frozen defined benefit plans by the end of 2024. Upon expiration, under legislation passed in 2021, any required funding would be amortized over a rolling 15-year period and calculated using a discount rate of no less than 4.75% through 2030. We have no minimum funding requirements for these plans in 2023 and do not plan to make voluntary contributions during 2023.

Defined Contribution Pension Plans. We sponsor several defined contribution plans. These plans generally cover different employee groups and employer contributions vary by plan. The costs associated with our defined contribution pension plans were approximately $1.0 billion, $875 million and $805 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Postretirement Healthcare Plans. We sponsor healthcare plans that provide benefits to eligible retirees and their dependents who are under age 65. We have generally eliminated company-paid post age 65 healthcare coverage, except for (1) subsidies available to a limited group of retirees and their dependents, (2) a group of retirees who retired prior to 1987 and (3) retiree medical accounts which provide a fixed dollar amount to eligible employees who retired under the 2012 voluntary workforce reduction programs or under the 2020 voluntary early retirement and separation programs ("voluntary programs"). Benefits under these plans are funded from current assets and employee contributions.

During 2020, we remeasured our postretirement healthcare obligation to account for the retiree medical accounts provided to eligible participants in our voluntary programs. As a result, we recorded a $1.3 billion special termination benefit charge and increased our postretirement healthcare obligation by $1.3 billion. See Note 15, "Government Grants and Restructuring," for more information on these voluntary programs

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

Benefit Obligations, Fair Value of Plan Assets and Funded Status

	Pension Benefits		Other Postretirement and Postemployment Benefits	
	December 31,		December 31,	
(in millions)	2022	2021	2022	2021
Benefit obligation at beginning of period	$ 21,073	$ 22,626	$ 4,605	$ 4,766
Service cost	—	—	70	86
Interest cost	611	582	128	117
Actuarial (gain)/loss	(4,599)	(851)	(710)	23
Benefits paid, including lump sums and annuities	(1,274)	(1,284)	(447)	(405)
Participant contributions	—	—	18	18
Benefit obligation at end of period[1]	$ 15,811	$ 21,073	$ 3,664	$ 4,605
Fair value of plan assets at beginning of period	$ 19,502	$ 16,541	$ 357	$ 496
Actual gain/(loss) on plan assets	(2,517)	2,732	(73)	57
Employer contributions	10	1,513	216	192
Participant contributions	—	—	18	18
Benefits paid, including lump sums and annuities	(1,274)	(1,284)	(447)	(406)
Fair value of plan assets at end of period	$ 15,721	$ 19,502	$ 71	$ 357
Funded status at end of period	$ (90)	$ (1,571)	$ (3,593)	$ (4,248)

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

During 2022, net actuarial gains decreased our benefit obligation primarily due to the increase in discount rates. These gains and losses are recorded in AOCI and reflected in the table below. Amounts are generally amortized from AOCI over the expected future lifetime of plan participants.

Balance Sheet Position

	Pension Benefits		Other Postretirement and Postemployment Benefits	
	December 31,		December 31,	
(in millions)	2022	2021	2022	2021
Prepaid pension assets	$ 27	$ —	$ —	$ —
Current liabilities	(9)	(9)	(369)	(203)
Noncurrent liabilities	(108)	(1,562)	(3,224)	(4,045)
Funded status at end of period	$ (90)	$ (1,571)	$ (3,593)	$ (4,248)
Net actuarial loss	$ (6,444)	$ (7,462)	$ (155)	$ (831)
Prior service credit	—	—	18	23
Total accumulated other comprehensive loss, pre-tax	$ (6,444)	$ (7,462)	$ (137)	$ (808)

Certain pension plans have benefit obligations in excess of plan assets. These plans have aggregate projected benefit obligations of $4.0 billion and aggregate fair value of plan assets of $3.9 billion at December 31, 2022.

Net Periodic (Benefit) Cost

(in millions)	Pension Benefits Year Ended December 31, 2022	2021	2020	Other Postretirement and Postemployment Benefits Year Ended December 31, 2022	2021	2020
Service cost	$ —	$ —	$ —	$ 70	$ 86	$ 96
Interest cost	611	582	700	128	117	120
Expected return on plan assets	(1,319)	(1,522)	(1,373)	(17)	(34)	(44)
Amortization of prior service credit	—	—	—	(5)	(6)	(9)
Recognized net actuarial loss	255	354	300	56	55	44
Settlements	—	2	38	—	—	—
Special termination benefits	—	—	—	—	—	1,260
Net periodic (benefit) cost	$ (453)	$ (584)	$ (335)	$ 232	$ 218	$ 1,467

Service cost is recorded in salaries and related costs in the income statement. Special termination benefits are recorded in restructuring charges, while all other components are recorded within pension and related benefit under non-operating expense.

Assumptions

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

Benefit Obligations[1]	December 31, 2022	2021
Weighted average discount rate	5.62 %	2.97 %

Net Periodic (Benefit) Cost[1]	Year Ended December 31, 2022	2021	2020
Weighted average discount rate	2.96 %	2.61 %	3.39 %
Weighted average expected long-term rate of return on plan assets	7.00 %	8.98 %	8.97 %
Assumed healthcare cost trend rate for the next year[2]	6.50 %	6.25 %	6.25 %

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

(2) Healthcare cost trend rate is assumed to decline gradually to 5.00% by 2031 and remain unchanged thereafter.

Expected Long-Term Rate of Return. Our expected long-term rate of return on plan assets is based primarily on plan-specific investment studies using historical market return and volatility data. Modest excess return expectations versus some public market indices are incorporated into the return projections based on the actively managed structure of the investment programs and their records of achieving such returns historically. We also expect to receive a premium for investing in less liquid private markets. We review our rate of return on plan assets assumptions annually. Our annual investment performance for one particular year does not, by itself, significantly influence our evaluation. The investment strategy for our defined benefit pension plan assets is to earn a long-term return that meets or exceeds our annualized return target while taking an acceptable level of risk and maintaining sufficient liquidity to pay current benefits and other cash obligations of the plan. This is achieved by investing in a globally diversified mix of public and private equity, fixed income, real assets, hedge funds and other assets and instruments. Our weighted average expected long-term rate of return on assets for net periodic benefit cost for the year ended December 31, 2022 was 7.00%.

Life Expectancy. Changes in life expectancy may significantly impact our benefit obligations and future net periodic benefit cost. We use the Society of Actuaries ("SOA") published mortality data and other publicly available information to develop our best estimate of life expectancy. The SOA publishes updated mortality tables for U.S. plans and updated improvement scales. Each year we consider updates by the SOA in setting our mortality assumptions for purposes of measuring pension and other postretirement and postemployment benefit obligations.

Benefit Payments

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

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

Expected future benefit payments

(in millions)	Pension Benefits	Other Postretirement and Postemployment Benefits
2023	$ 1,280	$ 450
2024	1,270	440
2025	1,270	430
2026	1,260	430
2027	1,250	430
2028-2032	6,030	1,930

Plan Assets

We have adopted and implemented investment policies for our defined benefit pension plans that incorporate strategic asset allocation mixes intended to best meet the plans' long-term obligations, while maintaining an appropriate level of risk and liquidity. These asset portfolios employ a diversified mix of investments, which are reviewed periodically. Active management strategies are utilized where feasible in an effort to realize investment returns in excess of market indices. Derivatives in the plans are primarily used to manage risk and gain asset class exposure while still maintaining liquidity. As part of these strategies, the plans are required to hold cash collateral associated with certain derivatives. Our investment strategies target a mix of 20-40% growth-seeking assets, 25-35% income-generating assets and 35-45% risk-diversifying assets. Risk diversifying assets include hedged mandates implementing long-short, market neutral and relative value strategies that invest primarily in publicly-traded equity, fixed income, foreign currency and commodity securities and are used to improve the impact of active management on the plans.

Benefit Plan Assets Measured at Fair Value on a Recurring Basis

Benefit plan assets relate to our defined benefit pension plans and certain of our postemployment benefit plans. These investments are presented net of the related benefit obligation in either other noncurrent assets or pension, postretirement and related benefits on the balance sheets depending on the funded status of each plan. See Note 3, "Fair Value Measurements," for a description of the levels within the fair value hierarchy and associated valuation techniques used to measure fair value. The following table shows our benefit plan assets by asset class.

Benefit plan assets measured at fair value on a recurring basis

	December 31, 2022			December 31, 2021			Valuation
(in millions)	Level 1	Level 2	Total	Level 1	Level 2	Total	Technique
Fixed income and fixed income-related instruments	$ 77	$ 1,366	$ 1,443	$ 69	$ 979	$ 1,048	(a)(b)
Cash equivalents	629	265	894	2,390	2,097	4,487	(a)
Equities and equity-related instruments	420	25	445	1,034	161	1,195	(a)
Delta common stock	343	—	343	407	—	407	(a)
Real assets	17	170	187	—	256	256	(a)
Benefit plan assets	$ 1,486	$ 1,826	$ 3,312	$ 3,900	$ 3,493	$ 7,393	
Investments measured at net asset value ("NAV")[1]			12,329			12,653	
Total benefit plan assets			$15,641			$20,046	

[1] Investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

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

Cash Equivalents. These investments primarily consist of high-quality, short-term obligations that are a part of institutional money market mutual funds that are valued using current market quotations or an appropriate substitute that reflects current market conditions.

Equities and Equity-Related Instruments. These investments include common stock and equity-related instruments. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. Equity-related instruments include investments in securities traded on exchanges, including listed futures and options, which are valued at the last reported sale prices on the last business day of the year or, if not available, the last reported bid prices. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable, generally broker quotes.

Delta Common Stock. The Delta common stock investment is managed by an independent fiduciary.

Real Assets. These investments include commodities such as precious metals and precious metals-related instruments, some of which are valued at the closing price reported on the active market on which the individual instruments are traded, while others are priced based on pricing models, quoted prices of securities with similar characteristics or broker quotes.

The following table summarizes investments measured at fair value based on NAV per share as a practical expedient:

Benefit plan investment assets measured at NAV

	December 31, 2022			December 31, 2021		
(in millions)	Fair Value	Redemption Frequency	Redemption Notice Period	Fair Value	Redemption Frequency	Redemption Notice Period
Hedge funds and hedge fund-related strategies	$ 6,730	(1)	2-180 Days	$ 7,563	(1)	2-180 Days
Commingled funds, private equity and private equity-related instruments [4]	2,266	(1) (2)	2-45 Days	2,228	(1) (2)	3-45 Days
Fixed income and fixed income-related instruments [4]	1,003	(1)	1-180 Days	877	(1)	65-90 Days
Real assets [4]	819	(2)	N/A	773	(2)	N/A
Other	1,511	(3)	2-10 Days	1,212	(3)	2-10 Days
Total investments measured at NAV	$12,329			$12,653		

(1) Various. Includes funds with monthly or more frequent, quarterly and/or custom redemption frequencies as well as funds with a redemption window following the anniversary of the initial investment.
(2) Includes private funds that are closed-ended structures in which the plans' investments are generally not eligible for redemption.
(3) Includes funds with monthly or more frequent redemptions
(4) Unfunded commitments were $1.2 billion for commingled funds, private equity and private equity-related instruments, $364 million for fixed income and fixed income-related instruments and $507 million for real assets at December 31, 2022.

On an annual basis we assess the potential for adjustments to the fair value of all investments. This primarily applies to private equity, private equity-related strategies and real assets. Due to a lag in the availability of data for certain of these investments, we solicit valuation updates from the investment fund managers and use their information and corroborating data from public markets to determine any needed fair value adjustments.

Hedge Funds and Hedge Fund-Related Strategies. These investments are primarily made through shares of limited partnerships or similar structures for which a liquid secondary market does not exist.

Commingled Funds, Private Equity and Private Equity-Related Instruments. These investments include commingled funds invested in common stock, as well as private equity and private equity-related instruments. Commingled funds are valued based on quoted market prices of the underlying assets owned by the fund. Private equity and private equity-related instruments are typically valued quarterly by the fund managers using valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of assumptions.

Fixed Income and Fixed Income-Related Instruments. These investments include commingled funds invested in debt obligations. Commingled funds are valued based on quoted market prices of the underlying assets owned by the fund. Private fixed income instruments are typically valued monthly or quarterly by the fund managers or third-party valuation agents using valuation models where one or more of significant inputs into the model cannot be observed and which require the development of assumptions.

Real Assets. These investments include real estate, energy transition, timberland, agriculture and infrastructure. The valuation of real assets requires significant judgment due to the absence of quoted market prices as well as the inherent lack of liquidity and the long-term nature of these assets. Real assets are typically valued quarterly by the fund managers using valuation models where one or more of the significant inputs into the model cannot be observed and which require the development of assumptions.

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

Other

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

Profit Sharing Program

Our broad-based employee profit sharing program provides that, for each year in which we have an annual pre-tax profit, as defined by the terms of the program, we will pay a specified portion of that profit to employees. In determining the amount of profit sharing, the program defines profit as pre-tax profit adjusted for profit sharing and certain other items.

For the year ended December 31, 2022, we recorded profit sharing expense of $563 million. For the year ended December 31, 2021, we recorded a special profit sharing expense of $108 million, based on the adjusted pre-tax profit earned during the second half of the year, to recognize the extraordinary efforts of our employees through the pandemic. We recorded no profit sharing expense for the year ended December 31, 2020.

NOTE 10. COMMITMENTS AND CONTINGENCIES

Aircraft Purchase Commitments

Our future aircraft purchase commitments totaled approximately $19.0 billion at December 31, 2022:

Aircraft purchase commitments[(1)]

(in millions)		Total
2023	$	2,610
2024		4,440
2025		4,330
2026		3,800
2027		2,570
Thereafter		1,210
Total	$	18,960

(1) The timing of these commitments is based on our contractual agreements with the aircraft manufacturers and may be subject to change based on modifications to those agreements or changes in delivery schedules.

Our future aircraft purchase commitments included the following aircraft at December 31, 2022:

Aircraft purchase commitments by fleet type

Fleet Type	Purchase Commitments
A220-300	60
A321-200neo	134
A330-900neo	18
A350-900	16
B-737-10	100
Total	328

Aircraft Orders

During 2022, we entered into a purchase agreement with Boeing for 100 Boeing 737-10s, the largest model in the 737 MAX family, to start delivery in 2025 with the option to purchase an additional thirty 737-10s. Additionally during 2022, we agreed to acquire four B-737-900ERs, one A330-900 and exercised purchase rights for 24 A220-300s. Deliveries of the pre-owned B-737-900ERs occurred during 2022, delivery of the new A330-900 is expected to occur in 2024, and deliveries of the new A220-300s are expected to start in 2026.

Contract Carrier Agreements

We have contract carrier agreements with regional carriers expiring through 2034. These agreements are structured as either capacity purchase or revenue proration agreements.

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

The following table shows our minimum obligations under our existing capacity purchase agreements with third-party regional carriers, excluding contract carrier payments accounted for as leases of aircraft, which are described in Note 7, "Leases." The obligations set forth in the table contemplate minimum levels of flying by the regional carriers under the respective agreements and also reflect assumptions regarding certain costs associated with the minimum levels of flying such as the cost of fuel, labor, maintenance, insurance, catering, property tax and landing fees. Accordingly, our actual payments under these agreements could differ materially from the minimum fixed obligations set forth in the table below.

Contract carrier minimum obligations

(in millions)	Amount
2023	$ 1,590
2024	1,560
2025	1,610
2026	1,590
2027	1,560
Thereafter	2,690
Total	$ 10,600

Revenue Proration Agreement. As of December 31, 2022, a portion of our contract carrier arrangement with SkyWest Airlines, Inc. was structured as a revenue proration agreement. This revenue proration agreement establishes a fixed dollar or percentage division of revenues for tickets sold to passengers traveling on connecting flight itineraries.

Legal Contingencies

We are involved in various legal proceedings related to employment practices, environmental issues, antitrust matters and other matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, we believe that the resolution of current matters will not have a material adverse effect on our Consolidated Financial Statements.

Credit Card Processing Agreements

Our VISA/MasterCard and American Express credit card processing agreements provide that no cash reserve ("Reserve") is required, and no withholding of payment related to receivables collected will occur, except in certain circumstances, including when we do not maintain a required level of liquidity as outlined in the merchant processing agreements. In circumstances in which the credit card processor can establish a Reserve or withhold payments, the amount of the Reserve or payments that may be withheld would be equal to the potential liability of the credit card processor for tickets purchased with VISA/MasterCard or American Express credit cards, as applicable, that had not yet been used for travel. We did not have a Reserve or an amount withheld as of December 31, 2022 or 2021.

Other Contingencies

General Indemnifications

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

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

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

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

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

Employees Under Collective Bargaining Agreements

As of December 31, 2022, we had approximately 95,000 full-time equivalent employees, approximately 20% of whom were represented by unions.

Domestic airline employees represented by collective bargaining agreements by group

Employee Group	Approximate Number of Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Delta Pilots	15,040	ALPA	December 31, 2019
Delta Flight Superintendents (Dispatchers)	450	PAFCA	November 1, 2024
Endeavor Pilots	1,750	ALPA	January 1, 2029
Endeavor Flight Attendants	1,800	AFA	March 31, 2027

Delta and ALPA reached an Agreement in Principle on a new collective bargaining agreement in December 2022. In January 2023, a tentative agreement was ratified by ALPA's Delta Master Executive Council ("MEC") and is subject to ratification by Delta's pilots through a vote that is scheduled to close on March 1, 2023. In addition to various work rule changes and an 18% pay rate increase in 2023, the tentative agreement includes a provision for a one-time payment of approximately $700 million upon pilot ratification. As voting on the tentative agreement has not closed and there is significant uncertainty about the outcome of this process, we have not accrued for this one-time payment as of December 31, 2022.

In addition to the domestic airline employee groups discussed above, approximately 200 refinery employees of our wholly owned subsidiary Monroe are represented by the United Steel Workers under an agreement that expires on February 28, 2026. This agreement is governed by the National Labor Relations Act, which generally allows either party to engage in self-help upon the expiration of the agreement. Certain of our employees outside the U.S. are represented by unions, work councils or other local representative groups.

Other

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

NOTE 11. INCOME TAXES

Income Tax Provision

Components of income tax (provision) benefit

	Year Ended December 31,		
(in millions)	2022	2021	2020
Current tax (provision) benefit:			
Federal	$ —	$ —	$ 94
State and local	(1)	(1)	3
International	(4)	(3)	(5)
Deferred tax (provision) benefit:			
Federal	(525)	(130)	2,766
State and local	(66)	16	344
Income tax (provision) benefit	$ (596)	$ (118)	$ 3,202

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

Reconciliation of statutory federal income tax rate to the effective income tax rate

	Year Ended December 31,		
	2022	2021	2020
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	3.0	(4.4)	1.9
Permanent differences	1.0	4.9	(0.6)
Valuation allowance	7.3	9.1	(2.6)
Other	(1.1)	(0.8)	0.8
Effective income tax rate	31.2 %	29.8 %	20.5 %

Deferred Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes.

Significant components of deferred income tax assets and liabilities

	December 31,	
(in millions)	2022	2021
Deferred tax assets:		
Net operating loss carryforwards	$ 1,395	$ 1,301
Capital loss carryforward	50	480
Pension, postretirement and other benefits	1,467	2,089
Investments	1,106	314
Deferred revenue	2,334	2,288
Lease liabilities	2,376	2,452
Other	682	494
Valuation allowance	(1,176)	(833)
Total deferred tax assets	$ 8,234	$ 8,585
Deferred tax liabilities:		
Depreciation	$ 5,110	$ 4,463
Operating lease assets	1,624	1,676
Intangible assets	1,121	1,097
Other	78	55
Total deferred tax liabilities	$ 7,933	$ 7,291
Net deferred tax assets[(1)]	$ 301	$ 1,294

(1) At December 31, 2022, the net deferred tax assets of $301 million included $325 million of net state deferred tax assets, which are recorded in deferred income taxes, net, and $24 million of net federal deferred tax liabilities, which are recorded in other noncurrent liabilities. At December 31, 2021, the net deferred tax assets of $1.3 billion were recorded in deferred income taxes, net.

Valuation Allowance

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is more likely than not that we will be unable to realize our deferred income tax assets. In making this determination, we consider available positive and negative evidence and make certain assumptions. We consider, among other things, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, our historical financial results and tax planning strategies.

At December 31, 2022 our net deferred tax asset balance was $301 million, including a $1.2 billion valuation allowance primarily related to certain net realized and unrealized capital losses and certain state net operating losses. Although we have cumulative losses since the onset of the pandemic, we have a history of significant earnings prior to the onset of the COVID-19 pandemic. During 2022, we returned to profitability, as our business continued to recover from the impact of the pandemic. We are expecting to generate sufficient taxable income to utilize our federal net operating loss carryforwards before any expire. However, the generation of future taxable income is dependent on many factors, including those which are out of our control, such as the demand for air travel and overall health of the economy. As such, there are no guarantees that a valuation allowance will not be required against some or all of our deferred tax assets in future periods.

As of December 31, 2022, we had approximately $5.4 billion of U.S. federal pre-tax net operating loss carryforwards, of which $1.5 billion was generated prior to 2018 and will not begin to expire until 2029. Under current tax law, the remaining net operating loss carryforwards do not expire. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the certain net realized and unrealized capital losses and certain state net operating losses that have short expiration periods.

The following table presents the balance of our valuation allowance on our deferred income tax assets and the associated activity:

Valuation allowance activity

(in millions)	2022	2021
Balance at January 1	$ 833	$ 460
Tax provision	155	26
Equity investment activity	188	347
Balance at December 31	$ 1,176	$ 833

Other

The amount of, and changes to, our uncertain tax positions were not material in any of the years presented. We are currently under audit by the IRS for the 2022, 2021 and 2020 tax years.

NOTE 12. EQUITY AND EQUITY COMPENSATION

Equity

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

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

Treasury Stock. We generally withhold shares of Delta common stock to cover employees' portion of required tax withholdings when employee equity awards are issued or vest. These shares are valued at cost, which equals the market price of the common stock on the date of issuance or vesting. The weighted average cost per share held in treasury was $29.73 and $28.87 as of December 31, 2022 and 2021, respectively.

Warrants. During 2020 and 2021, in connection with the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") payroll support program and extensions, we issued warrants to the U.S Department of the Treasury to acquire more than 11.1 million shares of Delta common stock. The conditions and number of warrants outstanding have remained unchanged since December 31, 2021 and key terms under each program are as follows:

Summary of payroll support program warrants

(in millions)	Number of Warrants	Exercise Price	Expiration Year
Payroll Support Program (PSP1)	6.8	$ 24.37	2025
Payroll Support Program Extension (PSP2)	2.4	39.73	2026
Payroll Support Program 3 (PSP3)	1.9	47.80	2026
Total	11.1		

Equity Compensation

Our broad-based equity and cash compensation plan provides for grants of restricted stock, restricted stock units, stock options, performance awards, including cash incentive awards and other equity-based awards (the "Plan"). Shares of common stock issued under the Plan may be made available from authorized, but unissued, common stock or common stock we acquire. If any shares of our common stock are covered by an award that expires, is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of taxes related to an award), such shares will again be available for issuance under the Plan except for (1) any shares tendered in payment of an option, (2) shares withheld to satisfy any tax withholding obligation with respect to the exercise of an option or stock appreciation right ("SAR") or (3) shares covered by a stock-settled SAR or other awards that were not issued upon the settlement of the award. The Plan authorizes the issuance of up to 163 million shares of common stock. As of December 31, 2022, there were 17 million shares available for future grants.

We make long-term incentive awards annually to eligible employees under the Plan. Generally, awards vest over time, subject to the employee's continued employment. Equity compensation expense, including awards payable in common stock or cash, is recognized in salaries and related costs over the employee's requisite service period (generally, the vesting period of the award) and totaled $150 million, $149 million and $119 million for the years ended December 31, 2022, 2021 and 2020, respectively. We record expense on a straight-line basis for awards with installment vesting. As of December 31, 2022, unrecognized costs related to unvested shares and stock options totaled $83 million. We expect substantially all unvested awards to vest and recognize forfeitures as they occur.

Restricted Stock. Restricted stock is common stock that may not be sold or otherwise transferred for a period of time and is subject to forfeiture in certain circumstances. The fair value of restricted stock awards is based on the closing price of the common stock on the grant date. As of December 31, 2022, there were 3.1 million unvested restricted stock awards. Restricted stock activity under the Plan for the years ended December 31, 2022, 2021 and 2020 is as follows:

Restricted Stock Award Activity

	2022		2021		2020	
(in millions, except weighted avg grant price)	Restricted Stock Awards	Weighted-Average Grant Price	Restricted Stock Awards	Weighted-Average Grant Price	Restricted Stock Awards	Weighted-Average Grant Price
Outstanding at January 1	2.9	$ 45.66	2.2	$ 54.06	2.6	$ 51.28
Granted	1.9	42.45	2.3	39.93	1.4	56.84
Vested	(1.6)	46.31	(1.4)	51.15	(1.6)	51.95
Forfeited	(0.1)	45.51	(0.2)	44.01	(0.2)	56.11
Outstanding at December 31	3.1	$ 43.43	2.9	$ 45.66	2.2	$ 54.06

Stock Options. Stock options are granted with an exercise price equal to the closing price of Delta common stock on the grant date and generally have a 10-year term. We determine the fair value of stock options at the grant date using an option pricing model. As of December 31, 2022, there were 6.2 million outstanding stock option awards with a weighted average exercise price of $50.40 of which 5.1 million were exercisable. Stock option activity under the Plan for the years ended December 31, 2022, 2021 and 2020 is as follows:

Stock Option Activity

	2022		2021		2020	
(in millions, except weighted avg grant price)	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price	Stock Options	Weighted-Average Exercise Price
Outstanding at January 1	6.2	$ 50.41	5.4	$ 52.37	3.9	$ 49.57
Granted	—	—	1.0	39.78	1.6	58.89
Exercised	—	—	—	—	(0.1)	44.05
Forfeited	—	52.87	(0.2)	49.61	—	—
Outstanding at December 31	6.2	$ 50.40	6.2	$ 50.41	5.4	$ 52.37

Performance Awards. Performance awards are dollar-denominated long-term incentive opportunities which, for grants prior to 2021, are payable in Delta stock to executive officers on the payment date and in cash to all other participants. Beginning with the 2021 grants, performance awards are payable in cash to all participants. Potential performance award payments range from 0%-200% of a target level and are contingent upon our achieving certain financial and operational goals over a three-year performance period. Based on the closing stock price at each respective year end and contingent on achieving the specified performance conditions, the maximum shares that could be issued were 0.7 million, 1.5 million and 2.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Performance-Based Restricted Stock Units. Performance-based restricted stock units are long-term incentive opportunities that were granted in 2022 and provide executive officers with the right to receive shares of Delta stock based on our achievement of certain performance conditions at the end of a three-year period. Potential payouts range from 0%-300% of a target level. Based on the closing stock price at year end and contingent on achieving the specified performance conditions, the maximum shares that could be issued were 1.3 million for the year ended December 31, 2022.

NOTE 13. ACCUMULATED OTHER COMPREHENSIVE LOSS

Components of accumulated other comprehensive loss

(in millions)	Pension and Other Benefits Liabilities[2]	Other	Tax Effect	Total
Balance at January 1, 2020	$ (9,563)	$ 25	$ 1,549	$ (7,989)
Changes in value	(1,652)	16	384	(1,252)
Reclassifications into earnings[1]	372	—	(169)	203
Balance at December 31, 2020	(10,843)	41	1,764	(9,038)
Changes in value	2,077	—	(484)	1,593
Reclassifications into earnings[1]	411	—	(96)	315
Balance at December 31, 2021	(8,355)	41	1,184	(7,130)
Changes in value	1,419	—	(330)	1,089
Reclassifications into earnings[1]	312	—	(72)	240
Balance at December 31, 2022	$ (6,624)	$ 41	$ 782	$ (5,801)

(1) Amounts reclassified from AOCI for pension and other benefits liabilities are recorded in pension and related benefit in non-operating expense in the income statement.

(2) Includes approximately $755 million of deferred income tax expense as a result of tax law changes and prior valuation allowance releases through continuing operations, that will not be recognized in net income until pension and other benefit obligations are fully extinguished.

NOTE 14. SEGMENTS

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

Airline Segment

Our airline segment is managed as a single business unit that provides scheduled air transportation for passengers and cargo throughout the U.S. and around the world and includes our loyalty program, as well as other ancillary airline services. This allows us to benefit from an integrated revenue pricing and route network. Our flight equipment forms one fleet, which is deployed through a single route scheduling system. When making resource allocation decisions, our chief operating decision maker evaluates flight profitability data, which considers fleet type and route economics, but gives no weight to the financial impact of the resource allocation decision on a geographic region or mainline/regional carrier basis. Our objective in making resource allocation decisions is to optimize our consolidated financial results.

Refinery Segment

Our Monroe subsidiary operates the Trainer oil refinery and related assets located near Philadelphia, Pennsylvania, as part of our strategy to mitigate the cost of the refining margin reflected in the price of jet fuel. Monroe's operations include pipelines and terminal assets that allow the refinery to supply jet fuel to our airline operations throughout the Northeastern U.S., including our New York hubs at LaGuardia and JFK.

Our refinery segment operates for the benefit of the airline segment by providing jet fuel to the airline segment from its own production and through jet fuel obtained through agreements with third parties. The refinery's production consists of jet fuel, as well as non-jet fuel products. We use several counterparties to exchange the non-jet fuel products produced by the refinery for jet fuel consumed in our airline operations. The gross fair value of the products exchanged under these agreements during the years ended December 31, 2022, 2021 and 2020 was $3.5 billion, $2.3 billion and $1.5 billion, respectively.

Segment Reporting

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

Financial information by segment

(in millions)	Airline	Refinery	Intersegment Sales/Other	Consolidated
Year Ended December 31, 2022				
Operating revenue:	$ 45,605	$ 10,706		$ 50,582
Sales to airline segment			$ (1,976) [1]	
Exchanged products			(3,475) [2]	
Sales of refined products			(278)	
Operating income[3]	2,884	777		3,661
Interest expense, net	1,029	12	(12)	1,029
Depreciation and amortization	2,107	93	(93) [3]	2,107
Restructuring charges	(124)	—		(124)
Total assets, end of period	69,355	3,039	(106)	72,288
Net fair value obligations, end of period	—	(226)		(226)
Capital expenditures	6,217	149		6,366
Year Ended December 31, 2021				
Operating revenue:	$ 26,670	$ 6,054		$ 29,899
Sales to airline segment			$ (492) [1]	
Exchanged products			(2,293) [2]	
Sales of refined products			(40)	
Operating income (loss)[3]	1,888	(2)		1,886
Interest expense, net	1,279	7	(7)	1,279
Depreciation and amortization	1,998	95	(95) [3]	1,998
Restructuring charges	(19)	—		(19)
Total assets, end of period	70,417	2,099	(57)	72,459
Net fair value obligations, end of period	—	(497)		(497)
Capital expenditures	3,188	59		3,247
Year Ended December 31, 2020				
Operating revenue:	$ 15,945	$ 3,143		$ 17,095
Sales to airline segment			$ (214) [1]	
Exchanged products			(1,472) [2]	
Sales of refined products			(307)	
Operating loss[3]	(12,253)	(216)		(12,469)
Interest expense, net	929	1	(1)	929
Depreciation and amortization	2,312	99	(99) [3]	2,312
Restructuring charges	8,219	—		8,219
Total assets, end of period	70,548	1,448	—	71,996
Net fair value obligations, end of period	—	(156)		(156)
Capital expenditures	1,879	20		1,899

[1] Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price by reference to the market index for the primary delivery location, which is New York Harbor, for jet fuel from the refinery.
[2] Represents value of products delivered under our exchange agreements, as discussed above, determined on a market price basis.
[3] Refinery segment operating results, including depreciation and amortization, are included within aircraft fuel and related taxes in our income statement.

Renewable Fuel Compliance Costs

A refinery is subject to annual Environmental Protection Agency ("EPA") requirements to blend renewable fuels into the gasoline and on-road diesel fuel it produces. Alternatively, a refinery may purchase Renewable Identification Numbers ("RINs") from third parties in the secondary market. The Monroe refinery purchases the majority of its RINs in the secondary market. Renewable fuel compliance costs are accrued each period as the RINs obligation is generated. Purchased RINs are carried at the lower of cost and net realizable value and are recorded in prepaid expenses and other. The RINs obligation is recorded in accounts payable at cost for those purchased or under fixed price purchase agreements, with any remaining net obligation recorded at fair value. The RINs asset and obligation are retired when used to satisfy EPA requirements.

The net fair value obligations presented in the financial information by segment table above are based on quoted market prices and other observable information and are therefore classified as Level 2 in the fair value hierarchy. Our obligation as of December 31, 2022 was calculated using the U.S. EPA Renewable Fuel Standard ("RFS") volume requirements, which were finalized in the June 2022 quarter. During the December 2022 quarter, we retired our 2020 RINs assets to settle our 2020 obligations prior to the compliance deadline. We expect to settle our 2021 and 2022 obligations in the first half of 2023.

NOTE 15. GOVERNMENT GRANTS AND RESTRUCTURING

Government Grant Recognition. Under the initial payroll support program under the CARES Act and the payroll support program ("PSP") extensions we received support payments which included $4.5 billion and $3.9 billion of grants during the years ended December 31, 2021 and 2020, respectively. These grants were recognized in government grant recognition in our income statement over the periods that the funds were intended to compensate. PSP1 grants were recognized during 2020 and grants received from PSP2 and PSP3 were recognized during 2021. See Note 6, "Debt," and Note 12, "Equity and Equity Compensation," for additional information on other aspects of the payroll support program.

Restructuring Charges. As a result of the unprecedented, widespread impact of the COVID-19 pandemic, demand for travel declined at a rapid pace in the March 2020 quarter and remained depressed throughout 2020, which had a materially adverse impact on our results of operations and financial position. During 2020, we implemented enhanced measures focusing on the safety of our customers and employees, while at the same time seeking to mitigate the impact on our financial position and operations and to position our business for recovery through actions including fleet retirements, offering voluntary retirement and separation programs and other decisions. These actions resulted in significant restructuring charges during the year ended December 31, 2020. Subsequent to these charges, we recorded adjustments to certain of these restructuring charges during the years ended December 31, 2022 and 2021, representing changes in our estimates or the outcome of contract negotiations. These charges and adjustments are summarized as follows:

Restructuring charges by category

	Year Ended December 31,		
(in millions)	**2022**	**2021**	**2020**
Fleet retirements	$ (48)	$ 40	$ 4,409
Voluntary programs and other employee benefit charges	(79)	(17)	3,409
Receivables and other	3	(42)	401
Total restructuring charges	$ (124)	$ (19)	$ 8,219

Fleet Retirements. As a result of the COVID-19 pandemic and our response, we made decisions to remove certain aircraft from active service and to early retire certain fleet types. These actions resulted in $4.4 billion of impairment and other related charges that were recorded in restructuring charges in our income statement for the year ended December 31, 2020.

These charges were calculated using Level 3 fair value inputs based primarily upon recent market transactions and third-party bids, which were corroborated with published pricing guides and our assessment of existing market conditions based on industry knowledge. Following the impairment charges, the aggregate net book value of these aircraft as of December 31, 2022 and December 31, 2021 was approximately $220 million and $340 million, respectively, with the reduction in 2022 primarily due to aircraft sales.

Voluntary Programs and Other Employee Benefit Charges. In response to the COVID-19 pandemic, we announced the voluntary programs, which primarily applied to eligible U.S. merit, ground and flight attendant and pilot employees. During 2020, 18,000 employees elected to participate and were eligible for separation payments, continued healthcare benefits and certain participants received retiree medical accounts. We recorded $3.4 billion in restructuring charges in our income statement associated with these programs and other employee benefit charges during 2020, including $1.3 billion of special termination benefits (see Note 9, "Employee Benefit Plans"). The remainder of the restructuring charge primarily relates to separation payments and healthcare benefits. Approximately $440 million, $575 million and $720 million was disbursed in cash payments to participants in the voluntary programs during 2022, 2021 and 2020, respectively. An additional $250 million of cash payments were disbursed during 2020 related to unused vacation and other benefits, which were accrued prior to the voluntary programs charge. Other than the special termination benefits that are recorded in pension, postretirement and related benefits, the remaining accruals as of December 31, 2022 related to separation payments under the voluntary programs are recorded in other accrued liabilities on our balance sheet.

Receivables and Other. Based on our assessment of collectability, during the year ended December 31, 2020, we recorded approximately $100 million of reserves against outstanding receivables from LATAM, Grupo Aeroméxico, GOL, Virgin Atlantic and others. Following LATAM's and Grupo Aeroméxico's emergence from their respective bankruptcy processes and general improvement overall in the airline industry, these reserves were $7 million as of December 31, 2022.

NOTE 16. EARNINGS/(LOSS) PER SHARE

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

Basic and diluted earnings/(loss) per share

	Year Ended December 31,		
(in millions, except per share data)	**2022**	**2021**	**2020**
Net income/(loss)	$ 1,318	$ 280	$ (12,385)
Basic weighted average shares outstanding	638	636	636
Dilutive effect of share-based instruments	3	5	—
Diluted weighted average shares outstanding	641	641	636
Basic earnings/(loss) per share	$ 2.07	$ 0.44	$ (19.49)
Diluted earnings/(loss) per share	$ 2.06	$ 0.44	$ (19.49)

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to record, process, summarize and report, within time periods specified by the SEC's rules and forms, information required to be disclosed. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of December 31, 2022 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control

During the three months ended December 31, 2022, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

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

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

Management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 using the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 Internal Control-Integrated Framework. Based on that evaluation, management believes that our internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by Ernst & Young LLP, an independent registered public accounting firm, which also audited our Consolidated Financial Statements for the year ended December 31, 2022. Ernst & Young LLP's report on our internal control over financial reporting is set forth below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited Delta Air Lines, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Delta Air Lines, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2022 consolidated financial statements of the Company and our report dated February 10, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitation of Internal Control Over Financial Reporting

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

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

Atlanta, Georgia
February 10, 2023

/s/ Ernst & Young LLP

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item is set forth under the headings "Governance - Board Matters" and "Proposal 1 - Election of Directors" in our Proxy Statement to be filed with the Commission related to our 2023 Annual Meeting of Stockholders ("Proxy Statement"), and is incorporated by reference. Certain information regarding Delta's executive officers is contained in Part I of this Form 10-K under the heading "Information About Our Executive Officers."

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is set forth under the headings "Executive Compensation" and "Director Compensation" in our Proxy Statement and is incorporated by reference.

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

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information about the number of shares of common stock that may be issued under Delta's equity compensation plans as of December 31, 2022.

Equity compensation plan information

Plan Category	(a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights[1]	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights[2]	(c) No. of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))[3]
Equity compensation plans approved by securities holders	8,162,240	$ 38.22	17,435,304
Equity compensation plans not approved by securities holders	—	—	—
Total	8,162,240	$ 38.22	17,435,304

(1) Includes a maximum of 1,971,835 shares of common stock that may be issued upon the achievement of certain performance conditions under outstanding performance share awards as of December 31, 2022.

(2) Includes performance share awards, which do not have exercise prices. The weighted average exercise price of outstanding options at December 31, 2022 was $50.40.

(3) Reflects shares remaining available for issuance under Delta's Performance Compensation Plan. If any shares of our common stock are covered by an award under the Plan that expires, is canceled, forfeited or otherwise terminates without delivery of shares (including shares surrendered or withheld for payment of taxes related to an award), then such shares will again be available for issuance under the Plan except for (1) any shares tendered in payment of an option, (2) shares withheld to satisfy any tax withholding obligation with respect to the exercise of an option or stock appreciation right ("SAR") or (3) shares covered by a stock-settled SAR or other awards that were not issued upon the settlement of the award. Because 3,107,633 shares of restricted stock remained unvested and subject to forfeiture as of December 31, 2022, these shares could again be available for issuance.

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

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

Information required by this item is set forth under the headings "Governance - Board Matters" and "Proposal 1 - Election of Directors" in our Proxy Statement and is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is set forth under the heading "Proposal 4 - Ratification of the Appointment of Independent Auditors" in our Proxy Statement and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets—December 31, 2022 and 2021

Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020

Consolidated Statements of Comprehensive Income/(Loss) for the years ended December 31, 2022, 2021 and 2020

Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020

Notes to the Consolidated Financial Statements

(2). Financial Statement Schedules. Financial statement schedules are not included herein as the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements and accompanying notes included in this Form 10-K.

(3). Exhibit List.

The exhibits required by this item are listed below. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.12 through 10.21.

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

3.1(a)	Delta's Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on April 30, 2007).*
3.1 (b)	Amendment to Amended and Restated Certificate of Incorporation (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on June 27, 2014).*
3.2	Delta's Bylaws (Filed as Exhibit 3.1 to Delta's Current Report on Form 8-K as filed on December 9, 2022).*
4.1	Description of Registrant's Securities (Filed as Exhibit 4.1 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*

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

10.1(a)	Credit Agreement, dated as of April 19, 2018, among Delta Air Lines, Inc., as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018).*
10.1(b)	Amendment No. 1 to Credit Agreement, dated as of June 29, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.5 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).*

10.1(c) Amendment No. 2 to Credit Agreement, dated as of November 17, 2021, among Delta Air Lines, Inc., JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders party thereto (Filed as Exhibit 10.1(c) to Delta's Annual Report on Form 10-K for the year ended December 31, 2021).*

10.1(d) Amendment No. 3 to Credit Agreement, dated as of November 18, 2022, among Delta Air Lines, Inc., JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders party thereto (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K as filed on November 21, 2022).*

10.2(a) 364-Day Term Loan Credit Agreement, dated as of March 17, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).*

10.2(b) Amendment No. 1 to 364-Day Term Loan Credit Agreement, dated as of April 3, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.4(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).*

10.2(c) Amendment No. 2 to 364-Day Term Loan Credit Agreement, dated as of June 29, 2020, among Delta Air Lines, Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (Filed as Exhibit 10.4(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).*

10.3(a) Payroll Support Program Agreement, dated as of April 20, 2020, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).*

10.3(b) Warrant Agreement, dated as of April 20, 2020, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).*

10.3(c) Form of Warrant to Purchase Common Stock (Filed as Exhibit 10.4(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*

10.4(a) Payroll Support Program Extension Agreement, dated as of January 15, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.7 to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*

10.4(b) Warrant Agreement, dated as of January 15, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.8(a) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*

10.4(c) Form of Warrant to Purchase Common Stock (Filed as Exhibit 10.8(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*

10.5(a) Payroll Support Program 3 Agreement, dated as of April 23, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).*

10.5(b) Warrant Agreement, dated as of April 23, 2021, between Delta Air Lines, Inc. and the United States Department of the Treasury (including Form of Warrant to Purchase Common Stock) (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).*

10.6(a) Term Loan Credit and Guaranty Agreement, dated as of September 23, 2020, among Delta, SkyMiles IP Ltd., the guarantors party thereto, Barclays Bank PLC, as administrative agent, U.S. Bank National Association, as collateral administrator, and the lenders party thereto (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 25, 2020).*

10.6(b) First Amendment to Term Loan Credit and Guaranty dated as of December 4, 2022 among SkyMiles IP Ltd., Delta Air Lines, Inc. and Barclays Bank PLC, as administrative agent.

10.7(a) Anchor Tenant Agreement dated as of December 9, 2010 between JFK International Air Terminal LLC and Delta Air Lines, Inc. (Filed as Exhibit 10.4 to Delta's Annual Report on Form 10-K for the year ended December 31, 2010).*

10.7(b) Sixth Supplement to Anchor Tenant Agreement dated as of April 8, 2022 between JFK International Air Terminal LLC and Delta Air Lines, Inc. (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022).*

10.8 Amended and Restated Agreement of Lease by and between The Port Authority of New York and New Jersey and Delta Air Lines, Inc., dated as of September 13, 2017 (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017).*

10.9(a) Airbus A330-900neo Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S and Delta Air Lines, Inc. (Filed as Exhibit 10.9 to Delta's Annual Report on Form 10-K for the year ended December 31, 2014).*/**

10.9(b) Amendment No. 3, dated May 10, 2017, to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 3") (Filed as Exhibit 10.2(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017).*/**

10.9(c) Letter Agreements, dated May 10, 2017, relating to Amendment No. 3 (Filed as Exhibit 10.2(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017).*/**

10.9(d) Amendment No. 8, dated as of October 30, 2018, to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 8") (Filed as Exhibit 10.7(d) to Delta's Annual Report on Form 10-K for the year ended December 31, 2018).*/**

10.9(e) Letter Agreements, dated as of October 30, 2018, relating to Amendment No. 8 (Filed as Exhibit 10.7(e) to Delta's Annual Report on Form 10-K for the year ended December 31, 2018).*/**

10.9(f) Amendment No 11, dated as of July 30, 2020 to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement, dated as of November 24, 2014 between Delta and Airbus S.A.S. (Filed as Exhibit 10.1(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*/**

10.9(g) Amended and Restated Letter Agreement No. 1, dated as of July 30, 2020, relating to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 (Filed as Exhibit 10.1(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*/**

10.9(h) Amended and Restated Letter Agreement No. 4, dated as of July 30, 2020, relating to Airbus A330-900 Aircraft and A350-900 Aircraft Purchase Agreement dated as of November 24, 2014 (Filed as Exhibit 10.1(c) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*/**

10.10(a) Airbus A321neo Aircraft Purchase Agreement dated as of December 15, 2017 between Airbus S.A.S. and Delta Air Lines, Inc. (Filed as Exhibit 10.10 to Delta's Annual Report on Form 10-K for the year ended December 31, 2017).*/**

10.10(b) Amendment No. 2, dated as of July 30, 2020 to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017 between Delta and Airbus S.A.S. (Filed as Exhibit 10.2(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*/**

10.10(c) Amended and Restated Letter Agreement No. 3, dated as of July 30, 2020, relating to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017 between Delta and Airbus S.A.S. (Filed as Exhibit 10.2(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).*/**

10.10(d) Amendment No. 3, dated April 22, 2021, to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017, between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 3") (Filed as Exhibit 10.3(a) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).*/**

10.10(e)	Amended and Restated Letter Agreements related to Amendment No. 3, dated April 22, 2021 (Filed as Exhibit 10.3(b) to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).*/**
10.10(f)	Amendment No. 4, dated August 20, 2021, to Airbus A321neo Aircraft Purchase Agreement, dated as of December 15, 2017, between Airbus S.A.S. and Delta Air Lines, Inc. ("Amendment No. 4") (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021).*/**
10.10(g)	Amended and Restated Letter Agreements No. 3 related to Amendment No. 4, dated August 20, 2021 (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021).*/**
10.11	Purchase Agreement Number PA-04696, dated July 18, 2022, between The Boeing Company and Delta Air Lines, Inc. relating to Boeing Model 737-10 Aircraft (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).*/**
10.12	Delta Air Lines, Inc. Performance Compensation Plan (Filed as Exhibit 10.2 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).*
10.13(a)	Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of June 1, 2016 (Filed as Exhibit 10.3 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016).*
10.13(b)	Amendment to Delta Air Lines, Inc. Officer and Director Severance Plan, as amended and restated as of June 1, 2016 (Filed as Exhibit 10.15(b) to Delta's Annual Report on Form 10-K for the year ended December 31, 2020).*
10.14	Description of Certain Benefits of Members of the Board of Directors and Executive Officers (Filed as Exhibit 10.14 to Delta's Annual Report on Form 10-K for the year ended December 31, 2021).*
10.15(a)	Delta Air Lines, Inc. 2020 Long-Term Incentive Program (Filed as Exhibit 10.14 to Delta’s Annual Report on Form 10-K for the year ended December 31, 2019).*
10.15(b)	Model Award Agreement for the Delta Air Lines, Inc. 2020 Long-Term Incentive Program (Filed as Exhibit 10.2 to Delta’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).*
10.16	Delta Air Lines, Inc. Management Incentive Plan (Filed as Exhibit 10.21 to Delta’s Annual Report on Form 10-K for the year ended December 31, 2020).*
10.17	Model Award Agreement for the Delta Air Lines, Inc. 2021 Long-Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021).*
10.18	Model Award Agreement for the Delta Air Lines, Inc. 2022 Long-Term Incentive Program (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022).*
10.19	Delta Air Lines, Inc. Restoration Long Term Disability Plan (Filed as Exhibit 10.24 to Delta's Annual Report on Form 10-K for the year ended December 31, 2011).*
10.20	Offer letter, dated as of May 14, 2021, between Delta Air Lines, Inc. and Dan Janki (including addendum) (Filed as Exhibit 10.4 to Delta's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021).*
10.21	Terms of 2022 Restricted Stock Awards for Non-Employee Directors (Filed as Exhibit 10.2 to Delta’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022).*
21.1	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.

32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 2002.
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from this Annual Report on Form 10-K for the year ended December 31, 2022 formatted in Inline XBRL (included in Exhibit 101)

_____

* Incorporated by reference.

** Portions of this exhibit have been omitted as confidential information.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 10th day of February, 2023.

DELTA AIR LINES, INC.

By: /s/ Edward H. Bastian
Edward H. Bastian
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 10th day of February, 2023 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Edward H. Bastian Edward H. Bastian	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Daniel C. Janki Daniel C. Janki	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ William C. Carroll William C. Carroll	Senior Vice President - Controller (Principal Accounting Officer)
/s/ Francis S. Blake Francis S. Blake	Chairman of the Board
/s/ Greg Creed Greg Creed	Director
/s/ David G. DeWalt David G. DeWalt	Director
/s/ William H. Easter III William H. Easter III	Director
/s/ Leslie D. Hale Leslie D. Hale	Director
/s/ Christopher A. Hazleton Christopher A. Hazleton	Director
/s/ Michael P. Huerta Michael P. Huerta	Director
/s/ Jeanne P. Jackson Jeanne P. Jackson	Director
/s/ George N. Mattson George N. Mattson	Director
/s/ Sergio A.L. Rial Sergio A.L. Rial	Director
/s/ David S. Taylor David S. Taylor	Director
/s/ Kathy N. Waller Kathy N. Waller	Director

Exhibit 10.6(b)

FIRST AMENDMENT TO TERM LOAN CREDIT AND GUARANTY AGREEMENT

FIRST AMENDMENT TO TERM LOAN CREDIT AND GUARANTY AGREEMENT (this "**Amendment**"), entered into as of December 4, 2022, among SKYMILES IP LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as borrower ("**Loyalty Co**"), DELTA AIR LINES, INC., a Delaware corporation, as co-borrower ("**Delta**" and together with **Loyalty Co**, the "**Borrowers**") and BARCLAYS BANK PLC, as administrative agent (together with its permitted successors and assigns in such capacity, the "**Administrative Agent**").

RECITALS:

A. The Borrowers, the Lenders party thereto, the Administrative Agent and the other agents and arrangers party thereto are parties to that certain Term Loan Credit and Guaranty Agreement, dated as of September 23, 2020 (as amended, supplemented, modified or waived from time to time, the "**Credit Agreement**"). Each capitalized term used but not defined herein has the meaning assigned to such term in the Credit Agreement.

B. Pursuant to Section 2.09 of the Credit Agreement (as in effect prior to the Amendment Effective Date), the Administrative Agent and the Borrowers have agreed (i) that a Benchmark Transition Event has occurred, (ii) that the Benchmark Transition Start Date for such Benchmark Transition Event is determined under sub-clause (a)(ii) of the definition "Benchmark Transition Start Date" contained in the Credit Agreement, (iii) that such Benchmark Transition Start Date shall be April 1, 2023 and (iv) to amend the Credit Agreement to adopt and implement an alternative benchmark rate, on the terms and conditions set forth in this Amendment, without any further consent of any other party to the Credit Agreement or any other Loan Document.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. ***Amendment***. Subject to the satisfaction of the conditions precedent to the effectiveness of this Amendment set forth in Section 3 hereof and the proviso below, (i) the Credit Agreement (excluding the Schedules and Exhibits thereto) is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the blackline attached as Exhibit A hereto; provided that (subject to the satisfaction of such conditions precedent as provided above) all such amendments shall become effective on April 1, 2023.

SECTION 2. ***Representations and Warranties***. Each Borrower represents and warrants to the Administrative Agent and the Lenders on behalf of itself and its Subsidiaries that as of the date hereof and on the Amendment Effective Date, the following statements are true and correct:

(a) the execution, delivery and performance by such Borrower of this Amendment, and the consummation of the transactions contemplated hereby, (i) are within such Borrower's corporate or other organizational powers, (ii) have been duly authorized by all necessary corporate or other organizational action on the part of such Borrower, (iii) require no

consent or approval of or action by or in respect of, or registration or filing with, any Governmental Authority, except such as have been obtained or made and are in full force and effect or that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect, (iv) do not contravene the organization documents of such Borrower, (v) violate any applicable law or any order or decree of any court or Governmental Authority, other than violations by a Loan Party which would not reasonably be expected to have a Material Adverse Effect;

(b) this Amendment has been duly executed and delivered by such Borrower and is the legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(c) all of the representations and warranties of the Borrowers contained in the Credit Agreement or in any Loan Document (other than the representations and warranties set forth in Sections 3.05(b) and 3.09(a) of the Credit Agreement) to which it is a party are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date; and

(d) no Default or Event of Default has occurred and is continuing.

SECTION 3. ***Conditions to Effectiveness of this Amendment***. This Amendment shall become effective as of December 9, 2022 (the "**Amendment Effective Date**"), provided that the following shall have occurred as of such date:

(a) Executed Amendment. The Administrative Agent shall have received counterparts of this Amendment executed by each Borrower and the Administrative Agent.

(b) Payment of Expenses. The Borrower shall have paid all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Milbank LLP) for which invoices have been presented at least one Business Day prior to the Amendment Effective Date.

(c) No Objection from Required Lenders. The Administrative Agent has not received, prior to 5:00pm NY time on December 9, 2022, written notice of objection to this Amendment from Lenders comprising the Required Lenders in accordance with Section 2.09 of the Credit Agreement (as in effect prior to the Amendment Effective Date).

The Administrative Agent shall promptly notify the Borrowers, the Collateral Administrator and the Lenders of the occurrence of the Amendment Effective Date.

SECTION 4. ***Existing Eurodollar Term Loans***.

Notwithstanding anything herein or in Exhibit A hereto to the contrary, any Eurodollar Term Loan outstanding as of April 1, 2023 (an "**Existing Eurodollar Term Loan**") shall remain a Term Loan which pays interest with reference to the LIBO Rate (without giving effect to the changes to the Credit Agreement made by this Amendment) until the end of the then current Interest Period applicable to such Existing Eurodollar Term Loan and shall automatically convert to a SOFR Loan in the amount of such Existing Eurodollar Term Loan on the last day of such Interest Period.

SECTION 5. ***Acknowledgment and Consent***. Each Borrower hereby acknowledges that it has reviewed the terms and provisions of this Amendment and consents to the amendments set forth herein. Each Borrower hereby confirms that each Loan Document to which it is a party and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents the payment and performance of all Obligations under each of the Loan Documents to which it is a party. Each Borrower acknowledges and agrees that each of the Loan Documents to which it is a party shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment.

SECTION 6. ***Miscellaneous***.

(a) On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Amendment", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement after giving effect to this Amendment. This Amendment shall be deemed to be a Loan Document for all purposes.

(b) Except as specifically amended or waived by this Amendment, the Credit Agreement and the other Loan Documents shall remain unchanged and in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under, the Credit Agreement or any of the other Loan Documents, except as specifically provided herein.

(d) The provisions of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted by the Credit Agreement.

(e) This Amendment may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

(f) Delivery of an executed counterpart of a signature page of this Amendment by telecopy, emailed pdf. or any other electronic means that reproduces an image of

the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and any other document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent, provided that, the Administrative Agent hereby agrees to accept, and hereby consents to the use of, electronic signatures to this Amendment from all parties hereto.

(g) If any provision of this Amendment is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of this Amendment shall remain in full force and effect in such jurisdiction and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

(h) This Amendment shall be construed in accordance with and governed by the law of the State of New York.

(i) This Amendment, together with the Credit Agreement and the other Loan Documents, embodies the entire agreement and understanding among the parties with respect to the subject matter hereof and thereof and supersedes all other prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

(j) The provisions of Section 1.02 (Other Interpretative Provisions) of the Credit Agreement are incorporated herein mutatis mutandis.

[*Signature Pages Follow.*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their proper and duly authorized officers as of the day and year first above written.

SKYMILES IP LTD., a Cayman Islands exempted company with limited liability

By: /s/ Barbara Quiroga

Name: Barbara Quiroga
Title: Vice President & Treasurer

DELTA AIR LINES, INC., a Delaware corporation

By: /s/ Kenneth W. Morge II

Name: Kenneth W. Morge II
Title: Senior Vice President - Finance & Treasurer

BARCLAYS BANK PLC,
as Administrative Agent

By: /s/ Charlene Saldanha
Name: Charlene Saldanha
Title: Vice President

[Signature page to Amendment]

~~Execution Version~~**Exhibit A**

TERM LOAN CREDIT AND GUARANTY AGREEMENT

dated as of September 23, 2020 among

SKYMILES IP LTD.
and
DELTA AIR LINES, INC.,
as Borrowers,

SKYMILES HOLDINGS LTD., SKYMILES IP HOLDINGS LTD.
and
SKYMILES IP FINANCE LTD.,
as Guarantors,

THE LENDERS PARTY HERETO, BARCLAYS BANK PLC,

as Administrative Agent,

GOLDMAN SACHS LENDING PARTNERS LLC,
as Sole Structuring Agent,

BARCLAYS BANK PLC, GOLDMAN SACHS LENDING PARTNERS LLC,
JP MORGAN CHASE BANK, N.A., and MORGAN STANLEY SENIOR FUNDING INC.,
as Joint Lead Arrangers,

BOFA SECURITIES, INC., BBVA SECURITIES INC., BNP PARIBAS,
CITIGROUP GLOBAL MARKETS INC.,
CREDIT SUISSE LOAN FUNDING LLC, DEUTSCHE BANK SECURITIES INC., FIFTH THIRD BANK, NATIONAL ASSOCIATION, PNC CAPITAL MARKETS LLC, SUMITOMO MITSUI BANKING CORPORATION,
STANDARD CHARTERED BANK, U.S. BANK, NATIONAL ASSOCIATION, WELLS FARGO SECURITIES, LLC,
as Joint Bookrunners,

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK and NATIXIS, NEW YORK BRANCH
As Co-Managers,

and

U.S. BANK NATIONAL ASSOCIATION, as Collateral

Administrator

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TERM LOAN CREDIT AND GUARANTY AGREEMENT, dated as of September 23, 2020, among SKYMILES IP LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands, as borrower ("**Loyalty Co**"), DELTA AIR LINES, INC., a Delaware corporation, as co-borrower ("**Delta**" and together with Loyalty Co, the "**Borrowers**"), each of the direct and indirect Subsidiaries of Delta from time to time party hereto as a Guarantor, each of the several banks and other financial institutions or entities from time to time party hereto as a lender (the "**Lenders**"), BARCLAYS BANK PLC, as administrative agent for the Lenders (together with its permitted successors and assigns in such capacity, the "**Administrative Agent**"), BARCLAYS BANK PLC, GOLDMAN SACHS LENDING PARTNERS LLC, J.P. MORGAN CHASE BANK, N.A. and MORGAN STANLEY SENIOR FUNDING INC., as joint lead arrangers (in such capacity, the "**Lead Arrangers**") and U.S. BANK NATIONAL ASSOCIATION, as collateral administrator (in such capacity, together with its permitted successor and assigns in such capacity, the "**Collateral Administrator**").

INTRODUCTORY STATEMENT

The Borrowers have applied to the Lenders for a term loan facility of $3.0 billion as set forth herein.

The proceeds of the Term Loans will be used to pay related transaction costs, fees and expenses, to fund the Reserve Account (as defined below) and to fund the Collection Account (as defined below) and such proceeds of the Term Loans deposited into the Collection Account will be distributed by Loyalty Co to HoldCo 3 and subsequently by HoldCo 3 to HoldCo 2 to provide the Delta Intercompany Loan (as defined below) to Delta.

Accordingly, the parties hereto hereby agree as follows:

SECTION 1.

DEFINITIONS

Section 1.01 Defined Terms. Unless otherwise defined herein, terms defined in the Collateral Agency and Accounts Agreement shall have the same meaning when used herein (including in the introductory statement) notwithstanding any termination thereof. When used herein, the following terms shall have the following meanings:

"**40 Act**" shall mean the Investment Company Act of 1940, as amended.

"ABR", when used in reference to any Loan, refers to whether such Loan is

bearing interest at a rate **equal to the Alternate Base Rate plus the Applicable Margin.**

"**Account Control Agreements**" shall mean each multi-party security and control agreement entered into by any Grantor to satisfy the obligation of such Grantor as set forth in any Senior Secured Debt Document, the Master Collateral Agent and a financial institution which maintains one or more Deposit Accounts or Securities Accounts of such Grantor that have been pledged as Collateral hereunder or under any other Loan Document, in each case giving the

Master Collateral Agent or Collateral Administrator, as applicable, "control" (as defined in Section 9-104 or 9-106 of the UCC) over the applicable account and in form and substance reasonably satisfactory to the Collateral Controlling Party and the Master Collateral Agent.

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to Term SOFR for such calculation; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"**Administrative Agent**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Affected Financial Institution**" shall mean (a) any EEA Financial Institution or (b) any UK Financial Institution.

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

"**Agents**" shall mean each of the Administrative Agent, the Master Collateral Agent, the Collateral Administrator and the Depositary.

"**Aggregate Exposure**" shall mean, with respect to any Lender at any time, an amount equal to (a) until the funding of the Initial Term Loans, the aggregate amount of such Lender's Term Loan Commitments at such time and (b) thereafter the sum of, (i) the aggregate then outstanding principal amount of such Lender's Term Loans and (ii) the aggregate amount of such Lender's Term Loan Commitments with respect to each Class of Term Loans (if any) then in effect.

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

"**Aggregate Reserve Account Required Balance**" shall have the meaning set forth in the Collateral Agency and Accounts Agreement.

"**Agreement**" shall mean this Term Loan Credit and Guaranty Agreement.

"**Airport Authority**" shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering,

operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

"**All-In Yield**" shall mean, as to any debt, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, a ~~LIBOR~~**Term SOFR** or Alternate Base Rate, or otherwise, in each case, incurred or payable by the Borrowers generally to all the lenders of such Indebtedness; *provided* that upfront fees and original issue discount shall be equated to an interest rate based upon an assumed four year average life to maturity (e.g., 100 basis points of original issue discount equals 25 basis points of interest rate margin for a four year average life to maturity); *provided*, *further*, that "**All-In Yield**" shall exclude any structuring, ticking, unused line, commitment, amendment, consent, underwriting, syndication and arranger fees, other similar fees and other fees not generally paid to all lenders and, if applicable, consent fees paid generally to consenting lenders.

"**Alternate Base Rate**" shall mean, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the sum of the Federal Funds Effective Rate in effect on such day plus ½ of 1%; *provided*, in no event shall the Alternate Base Rate be less than one percent (1%). Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"**AmEx Co-Branded Agreement**" shall mean that certain Amended and Restated Co-Branded Credit Card Program Agreement, dated as of March 31, 2019, by and among American Express Travel Related Services Company, Inc., American Express National Bank and Delta.

"**AmEx Membership Rewards Agreement**" shall mean that certain Amended and Restated Membership Rewards Agreement, dated as of March 31, 2019, by and among American Express Travel Related Services Company, Inc. and Delta.

"**Anti-Corruption Laws**" shall mean all laws, rules and regulations of the United States applicable to Delta or its Subsidiaries from time to time intended to prevent or restrict bribery or corruption.

"**Applicable Law**" shall have the meaning given such term in Section 10.13.

"**Applicable Margin**" shall mean a rate per annum equal to 3.75% (*provided* that when used in connection with the Alternate Base Rate "**Applicable Margin**" shall mean a rate per annum equal to 2.75%).

"**Applicable Trigger Event**" shall mean, any voluntary prepayment of the Term Loans or any mandatory prepayment under clauses (a) or (e) of Section 2.12 of all, or any part, of the principal balance of any Term Loan (including any distribution in respect of the Term Loans and any refinancing thereof), in each case, whether in whole or in part and whether before or after the occurrence of an Event of Default or the commencement of any institution of any

proceeding under any Bankruptcy Law. For the avoidance of doubt, any prepayment as a result of an Early Amortization Event or an Event of Default (including as a result of the commencement of any institution of any proceeding under any Bankruptcy Law) shall not constitute an "Applicable Trigger Event".

"**Approved Fund**" shall have the meaning given such term in Section 10.02(b).

"**Approved Independent Director List**" shall mean the list of no fewer than four (4) individuals that are eligible to act as an Independent Director for the SPV Parties attached hereto as Schedule 1.01(d), which may be updated from time to time by the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) by providing written notice to the Borrowers; *provided* that, with respect to the initial list attached hereto as Schedule 1.01(d) and any updates thereto made by the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) thereafter, Loyalty Co may, upon providing thirty (30) days' prior written notice to the Master Collateral Agent, reject up to two (2) listed individuals for any reason, and the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) may thereafter amend the list to replace such individuals; *provided further* that in all cases, the Approved Independent Director List shall only include individuals who satisfy the Independent Director Criteria.

"**Approved Replacement Independent Director**" shall mean, at any time, each individual listed on the Approved Independent Director List at such time; *provided* that if the ordinary shareholder(s) of an SPV Party reasonably disagrees that none of the individuals listed on the Approved Independent Director List (i) satisfy clause (c) in the definition of the Independent Director Criteria or (ii) are willing to act as Independent Director at a compensation level reasonably customary for directors of this type (it being agreed that the compensation level commensurate with that of the Independent Director the vacancy of which is being filled shall be deemed reasonably customary), then the ordinary shareholder(s) of the relevant SPV Party may appoint any other Person who meets the Independent Director Criteria as a replacement Independent Director.

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

"**Archived SkyMiles Member Profile Data**" shall have the meaning given to such term in Section 4.03(b).

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

"**Assumption Motion**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

"**Assumption Order**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

"**Available Funds**" shall mean, with respect to any Payment Date, the sum of (i) the Term Loans' Pro Rata Share of funds allocated pursuant to the Collateral Agency and Accounts Agreement for such Payment Date and transferred from the Collection Account to the Payment Account on or prior to such Payment Date pursuant to the Collateral Agency and Accounts Agreement, (ii) the Term Loans' Pro Rata Share of any amounts transferred to the Payment Account from the Reserve Account for application on such Payment Date, and (iii) the Term Loans' Pro Rata Share of any other amount deposited into the Payment Account by or on behalf of any Borrower on or prior to such Payment Date.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

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

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

"**Bankruptcy Court**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

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

"**Bankruptcy Law**" shall mean the Bankruptcy Code or any similar federal, state or foreign law relating to reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other debtor relief, including, without limitation, Part V and sections 86-88 (inclusive) of the Companies Law (as amended) of the Cayman Islands and the Companies Winding Up Rules 2018 of the Cayman Islands, each as amended from time to time, and any bankruptcy, insolvency, winding up, reorganization or similar law enacted under the laws of the Cayman Islands or any other applicable jurisdiction.

"Benchmark" means initially, Term SOFR; provided that if a Benchmark Transition Event **has occurred with respect to Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.20.**

"Benchmark Replacement" means with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(a) with respect to SOFR Loans, Daily Simple SOFR; or

(b) ~~"**Benchmark Replacement**" shall mean~~ the sum of: (~~a~~**i**) the alternate benchmark rate ~~(which may be a SOFR-Based Rate)~~ that has been selected by the Administrative Agent and the Borrowers giving due consideration to (~~i~~**A**) any selection or recommendation of a replacement **benchmark** rate or the mechanism for determining such a rate by the Relevant Governmental Body or (~~i~~**B**) any evolving or then-prevailing market convention for determining a **benchmark** rate ~~of interest~~ as a replacement to ~~LIBO Rate for U.S. dollar-denominated~~**the then-current Benchmark for** syndicated credit facilities and (~~b~~**ii**) the **related** Benchmark Replacement Adjustment;

provided, that, if the Benchmark Replacement as so determined would be less than 1.0%the Floor, the Benchmark Replacement will be deemed to be 1.0%the Floor for the purposes of this Agreement; *provided further* that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion and the other Loan Documents.

"**Benchmark Replacement Adjustment**" shall mean,means with respect to any replacement of LIBO Ratethe then-current Benchmark with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowers giving due consideration to (ia) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBO Ratesuch Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (iib) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBO Ratesuch Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

"**Benchmark Replacement Conforming Changes**" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in consultation with the Borrower may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or, if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides in consultation with the Borrower is reasonably necessary in connection with the administration of this Agreement).

"**Benchmark Replacement Date**" shall meanmeans the earlierearliest to occur of the following events with respect to LIBO Ratethe then-current Benchmark:

(a) (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event,", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of LIBO Ratesuch Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide LIBO Rate; and all Available Tenors of such Benchmark (or such component thereof); or

(b) (b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date of the public on which all Available Tenors of such Benchmark (or the

published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the **most recent** statement or publication ~~of information~~ referenced ~~therein~~**in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date**.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) above with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" ~~shall mean~~**means** the occurrence of one or more of the following events with respect to ~~LIBO Rate~~**the then-current Benchmark**:

(a) ~~(a)~~ a public statement or publication of information by or on behalf of the administrator of ~~LIBO Rate~~**such Benchmark (or the published component used in the calculation thereof)** announcing that such administrator has ceased or will cease to provide ~~LIBO Rate~~**all Available Tenors of such Benchmark (or such component thereof)**, permanently or indefinitely**.**~~,~~; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~LIBO Rate~~**any Available Tenor of such Benchmark (or such component thereof)**;

(b) ~~(b)~~ a public statement or publication of information by the regulatory supervisor for the administrator of ~~LIBO Rate, the U.S.~~**such Benchmark (or the published component used in the calculation thereof), the** Federal Reserve ~~System~~**Board, the Federal Reserve Bank of New York**, an insolvency official with jurisdiction over the administrator for ~~LIBO Rate~~**such Benchmark (or such component)**, a resolution authority with jurisdiction over the administrator for ~~LIBO Rate~~**such Benchmark (or such component)** or a court or an entity with similar insolvency or resolution authority over the administrator for ~~LIBO Rate~~**such Benchmark (or such component)**, which states that the administrator of ~~LIBO Rate~~**such Benchmark (or such component)** has ceased or will cease to provide ~~LIBO Rate~~**all Available Tenors of such Benchmark (or such component thereof)** permanently or indefinitely**.**~~,~~; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~LIBO Rate~~**any Available Tenor of such Benchmark (or such component thereof)**; or

~~(c)~~ **(c)** a public statement or publication of information by the regulatory supervisor for the administrator of ~~LIBO Rate announcing that LIBO Rate is no longer~~**such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be,** representative ~~and such circumstances are unlikely to be temporary~~.

~~"**Benchmark Transition Start Date**" shall mean (a) in the case of a Benchmark~~ Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or, if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, and, in each case, consented to by the Borrower in writing and notified in writing to the Administrative Agent (in the case of such notice by the Required Lenders) and the ~~Lenders, as applicable.~~

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark **if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).**

"**Benchmark Unavailability Period**" ~~shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBO Rate~~ and solely to the extent that LIBO Rate has not been replaced with a Benchmark ~~Replacement,~~**means** the period (~~x~~**if any) (a**) beginning at the time that ~~such~~**a** Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced ~~LIBO Rate~~**the then-current Benchmark** for all purposes hereunder **and under any Loan Document** in accordance with Section ~~2.09~~**2.20** and (~~y~~**b**) ending at the time that a Benchmark Replacement has replaced ~~LIBO Rate~~**the then-current Benchmark** for all purposes hereunder ~~pursuant to~~**and under any Loan Document in accordance with** Section ~~2.09~~**2.20**.

"**Beneficial Owner**" shall have the meaning set forth in Rule 13d-3 and Rule 13d-5 under the Exchange Act. The terms "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning.

"**Beneficial Ownership Certification**" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"**Beneficial Ownership Regulation**" shall mean 31 C.F.R. § 1010.230.

"**Benefit Plan**" shall mean any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of Section 3(42) of ERISA or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan."

"**BHC Act Affiliate**" shall mean, with respect to any party, an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States.

"**Board of Directors**" shall mean:

1. with respect to a corporation or an exempted company, the board of directors of the corporation or exempted company, as applicable, or any committee thereof duly authorized to act on behalf of such board;

2. with respect to a partnership, the board of directors of the general partner of the partnership;

3. with respect to a limited liability company, the managing member or members, manager or managers or any controlling committee of managing members or managers thereof; and

4. with respect to any other Person, the board or committee of such Person serving a similar function.

"**Borrowers**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Borrowing**" shall mean the incurrence of a single Class of Term Loans made from all the applicable Lenders on a single date.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York City, or such other domestic city in which the corporate trust office of the Collateral Administrator, Master Collateral Agent or the Depositary is located (in each case, as set forth in Section 10.01(a), as such locations may be updated pursuant to Section 10.01(c)) are required or authorized to remain closed; *provided*, that, when used in connection with the borrowing or repayment of a ~~Eurodollar Term~~**SOFR** Loan, the term "**Business Day**" shall also exclude any day ~~on which banks are not open for dealings in Dollar deposits on the London interbank market~~**which is not a U.S. Government Securities Business Day**.

"**CS Excess Proceeds**" shall have the meaning set forth in Section 2.12(c) "**CS Threshold Amount**" shall have the meaning set forth in Section 2.12(c)

"**Capital Markets Offering**" shall mean any offering of "securities" (as defined under the Securities Act) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(a)(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"**Cash Bond**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

"**Cash Equivalents**" shall mean:

(1) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the federal government of the United States (or by any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;

(2) direct obligations of state, provincial and local government entities, in each case maturing within one year from the date of acquisition thereof, which have, at the date of such acquisition, a rating of at least A- (or the equivalent thereof) from S&P or Fitch or A-3 (or the equivalent thereof) from Moody's;

(3) obligations of domestic or foreign companies and their subsidiaries, including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities, in each case maturing within one year from the date of acquisition thereof and which have, at the date of such acquisition, a rating of at least A- (or the equivalent thereof) from S&P or Fitch or A-3 (or the equivalent thereof) from Moody's;

(4) commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 (or the equivalent thereof) from S&P or Fitch or P-2 (or the equivalent thereof) from Moody's;

(5) certificates of deposit, banker's acceptances, banker's discount notes, time deposits, US Dollar time deposits or overnight bank deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any other commercial bank of recognized standing organized under the laws of the United States or any state thereof or the District of Columbia that has a combined capital and surplus and undivided profits of not less than $100.0 million;

(6) fully collateralized repurchase agreements with a term of not more than six months for underlying securities that would otherwise be eligible for investment;

(7) Investments in money in an investment company organized under the 40 Act, or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest 95% of their assets in obligations of the type described in clauses (1) through (6) above, including money market funds or short-term and intermediate bonds funds;

(8) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the 40 Act or with the criteria set forth in National Instrument 81-102-Mutual Funds, as amended, (ii) are rated AAA (or the equivalent thereof) by S&P or Fitch or Aaa (or the

equivalent thereof) by Moody's and (iii) have portfolio assets of at least $500.0 million;

(9) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of $100.0 million;

(10) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A- by S&P or Fitch or A3 by Moody's; and

(11) any other securities or pools of securities that are classified under GAAP as cash equivalents or short-term investments on a balance sheet.

"**Cayman Share Mortgage**" shall mean the equitable mortgage over shares in Loyalty Co, dated the Closing Date, between HoldCo 3 and the Master Collateral Agent.

"**Certificate Re: Non-Bank Status**" shall have the meaning given to it in Section 2.16(g).

"**CFC**" shall mean "controlled foreign corporation" within the meaning of Section 957(a) of the Code; *provided*, for the avoidance of doubt, that no SPV Party shall be considered to be a CFC.

"**Change in Law**" shall mean, after the date hereof, (a) the adoption of any law, rule or regulation after the date of this Agreement (including any request, rule, regulation, guideline, requirement or directive promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel II or Basel III) or (b) compliance by any Lender (or, for purposes of Section 2.14(b), by any lending office of such Lender through which Term Loans are issued or maintained or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; *provided* that, notwithstanding anything herein to the contrary, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof shall be deemed to be a "**Change in Law**," regardless of the date enacted, adopted, issued or implemented.

"**Class**", when used in reference to any Term Loan or Borrowing, shall refer to whether such Term Loan, or the Term Loans comprising such Borrowing, are Initial Term Loans or Incremental Term Loans that are not Initial Term Loans.

"**Closing Date**" shall mean the date on which this Agreement has been executed and the conditions precedent set forth in Section 4.01 have been satisfied or waived.

"**Code**" shall mean the United States Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**" shall mean the assets and properties of the Grantors upon which Liens have been granted to the Master Collateral Agent or the Collateral Administrator to secure the Obligations, including without limitation all of the "**Collateral**" as defined in the Collateral Documents, but excluding all such assets and properties released from such Liens pursuant to the applicable Collateral Document or otherwise constituting Excluded Property.

"**Collateral Administrator**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Collateral Administrator and Master Collateral Agent Fee Letter**" shall have the meaning set forth in Section 2.19.

"**Collateral Agency and Accounts Agreement**" shall mean that certain Collateral Agency and Accounts Agreement dated as of the Closing Date, among the Borrowers, each Grantor from time to time party thereto, the Depositary, the Collateral Administrator, each other Senior Secured Debt Representative (as defined therein) from time to time party thereto and the Master Collateral Agent, substantially in the form attached as Exhibit A.

"**Collateral Documents**" shall mean, collectively, any Account Control Agreements, the Security Agreement, each IP Security Agreement, the Collateral Agency and Accounts Agreement, the Cayman Share Mortgage and other agreements, instruments or documents that create or purport to create a Lien in favor of the Master Collateral Agent for the benefit of the Secured Parties, in each case, so long as such agreement, instrument or document shall not have been terminated in accordance with its terms.

"**Collateral Sale**" shall mean the Disposition of any Collateral.

"**Collection Account**" shall mean the account of Loyalty Co held at JPMorgan Chase Bank, N.A. with the account name "SkyMiles IP Ltd." that is established and maintained at the New York office of JPMorgan Chase Bank, N.A. and under the control of the Master Collateral Agent pursuant to an Account Control Agreement.

"**Collections**" shall mean, with respect to any Quarterly Reporting Period, the aggregate amount of Transaction Revenues deposited in the Collection Account during such Quarterly Reporting Period. For the avoidance of doubt, (i) Permitted Deposit Amounts and (ii) any other funds in the Collection Account not constituting Transaction Revenues shall not constitute Collections.

"**Composite Marks**" shall mean the Intellectual Property listed on Schedule 1.01(e) as being Composite Marks.

"Conforming Changes" means, with respect to either the use or administration of the then-applicable Benchmark for Loans, or the use, administration, adoption or implementation of any Benchmark Replacement thereof, any technical, administrative or operational changes (including changes to the definition of "**Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"),** timing and frequency of determining rates and making payments of interest**, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.20 and other technical, administrative or operational** matters) that the Administrative Agent decides in consultation with the Borrower may be appropriate to reflect the adoption and implementation of **any such rate or to permit the use and** administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of **any such rate** exists, in such other manner of administration as the Administrative Agent decides in consultation with the Borrower is reasonably necessary in connection with the administration of this Agreement **and the other Loan Documents).**

~~"**Compounded SOFR**" shall mean the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:~~

~~(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; or~~

~~(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for U.S. dollar-denominated syndicated credit facilities at such time;~~

~~*provided* that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or clause (b) above is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Benchmark Replacement".~~

"**Contingent Payment Event**" shall mean any indemnity, termination payment or liquidated damages under a SkyMiles Agreement, an IP Agreement or an Intercompany Agreement.

"**Contribution Agreements**" shall mean each of the agreements set forth on Schedule 1.01(a) and each other contribution, assignment or transfer agreement entered into after the date hereof pursuant to which Delta contributes, assigns or transfers (i) all of Delta's rights, title and interest in and to the SkyMiles Intellectual Property that it owns or purports to own, or later develops or acquires and owns (excluding the Composite Marks and the Specified Intellectual Property), (ii) all of Delta's rights to establish, create, organize, initiate, participate, operate, assist, benefit from, promote or otherwise be involved in or associated with, in any capacity, the SkyMiles Program or any other customer loyalty miles program or any similar customer loyalty program (other than with respect to a Specified Minority Owned Program or a Permitted Acquisition Loyalty Program), and (iii) all of Delta's rights, title and interest in, to and under the SkyMiles Agreements (other than the Intercompany Agreements), in each case, directly or indirectly to Loyalty Co.

~~"**Corresponding Tenor**" with respect to a Benchmark Replacement shall mean a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period.~~

"**Covered Entity**" shall mean any of the following: (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Covered Party**" shall have the meaning set forth in Section 10.21. "**Cure Amounts**" shall have

the meaning set forth in Section 2.24.

"**Currency**" shall mean miles, points and/or other units that are a medium of exchange used solely within a Loyalty Program.

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to the greater of (a) SOFR for the day (such day "*i*") that is five U.S. Government Securities Business Days prior to (A) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (B) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website and (b) the Floor. If by 5:00 pm (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any day "i", the SOFR in respect of such day "i" has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then the SOFR for such day "i" will be

the SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrowers.

"**Data Protection Laws**" shall mean all laws, rules and regulations applicable to each applicable Loan Party or Subsidiary thereof regarding privacy, data protection and data security, including with respect to the collection, storage, transmission, transfer (including cross-border transfers), processing, encryption, security, safeguarding, loss, disclosure and use of Personal Data (including Personal Data of employees, contractors, customers, loan applicants and third parties), On-line Tracking Data, and email and mobile communications, including any approvals or notices required in connection therewith.

"**Dated SkyMiles Member Profile Data**" shall mean, as of any date, SkyMiles Member Profile Data set forth in clauses (d) and (e) of the definition thereof that was generated more than three years before such date.

"**Day Count Fraction**" shall mean, the actual number of days elapsed over a year of 360 days (or, when the Alternate Base Rate is applicable, a year of 365 days or 366 days in a leap year).

"**Debtors**" shall have the meaning given to such term in the definition of "**Delta Case Milestones**".

"**Deeds of Undertaking**" shall mean (i) the deed of undertaking to be entered into on or about the date hereof among Loyalty Co, HoldCo 3, the Master Collateral Agent and Walkers Fiduciary Limited, (ii) the deed of undertaking to be entered into on or about the date hereof among HoldCo 3, HoldCo 2, the Master Collateral Agent and Walkers Fiduciary Limited, (iii) the deed of undertaking to be entered into on or about the date hereof among HoldCo 2, HoldCo 1, the Master Collateral Agent and Walkers Fiduciary Limited and (iv) the deed of undertaking to be entered into on or about the date hereof among HoldCo 1, Delta, the Master Collateral Agent and Walkers Fiduciary Limited.

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

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**Defaulting Lender**" shall mean, at any time, any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid by it hereunder, to fund or pay (x) any portion of the Term Loans or (y) any other amount required to be paid by it

hereunder to the Administrative Agent or any other Lender (or its banking Affiliates), unless, in the case of clause (x) above, such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrowers, the Administrative Agent or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations (i) under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or (ii) on or prior to the Closing Date, generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, any other Lender or a Borrower, acting in good faith, to provide a confirmation in writing from an authorized officer or other authorized representative of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Term Loans under this Agreement, which request shall only have been made after the conditions precedent to borrowings have been met, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's, such other Lender's or the Borrowers', as applicable, receipt of such confirmation in form and substance satisfactory to it and the Administrative Agent, or (d) has become, or has had its Parent Company become, the subject of a Bankruptcy Event or a Bail-In Action. If the Administrative Agent determines that a Lender is a Defaulting Lender under any of clauses (a) through (d) above, such Lender will be deemed to be a Defaulting Lender upon notification of such determination by the Administrative Agent to the Borrowers and the Lenders.

"**Default Interest**" shall have the meaning specified in Section 2.08.

"**Delta**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Delta Agreements**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

"**Delta Air Line Business Agreements**" shall have the meaning given to such term in the definition of "SkyMiles Agreements".

"**Delta Case Milestones**" shall mean that, after the commencement of any institution of any proceeding under any Bankruptcy Law (the "**Bankruptcy Case**") of Delta:

(a) each Loan Party shall continue to perform its respective obligations under the Loan Documents, the Delta Intercompany Note, the Intercompany Agreements, the IP Agreements and all Material SkyMiles Agreements to which such Loan Party is party (collectively, the "**Delta Agreements**") and there shall be no material interruption in the flow of funds under the Delta Agreements in accordance with the terms thereunder; provided, that (i) the performance by the Loan Parties under this clause (a) shall in all respects be subject to any applicable materiality qualifiers, cure rights and/or grace periods provided for under the

respective Delta Agreements, and (ii) the Loan Parties shall have forty-five (45) days from the Petition Date (as defined below) to cure any failure to perform that requires court authorization to perform;

(b) the debtors in respect of the Bankruptcy Case (the "**Debtors**") shall file with the applicable U.S. bankruptcy court (the "**Bankruptcy Court**"), within fifteen (15) days of the date of petition in respect of the Bankruptcy Case (the "**Petition Date**"), a customary and reasonable motion to assume the Intercompany Agreements, the IP Agreements and all Material SkyMiles Agreements to which such Loan Party is party under section 365 of the Bankruptcy Code and continue to perform all obligations under all the Delta Agreements (the "**Assumption Motion**"), and shall thereafter pursue (including by contesting any objections to) the approval of the Assumption Motion;

(c) the Bankruptcy Court shall have entered a customary and reasonable final order (the "**Assumption Order**") granting the Assumption Motion, within sixty (60) days after the Petition Date, and such Assumption Order shall not be amended, stayed (unless the party seeking a stay has posted a cash bond pledged in favor of the Secured Parties and the secured parties in respect of any other Priority Lien Debt (the "**Cash Bond**") in an amount equal to or greater than the maximum amount of the License Termination Payment (as defined in the Delta IP License) that could be asserted if the Delta IP License were to terminate (without reduction for any potential mitigation)), vacated, or reversed;

(d) the parties agree and acknowledge that the Assumption Motion and Assumption Order shall be customary and reasonable and the Assumption Order shall provide, among other things, that: (i) the Debtors are authorized to assume the Intercompany Agreements, the IP Agreements and all Material SkyMiles Agreements to which such Loan Party is party and perform all obligations under the Delta Agreements and implement actions contemplated thereby and, pursuant to the Assumption Order, will assume the Intercompany Agreements, the IP Agreements and all Material SkyMiles Agreements to which such Loan Party is party pursuant to section 365 of the Bankruptcy Code; (ii) the Delta Agreements are binding and enforceable against the parties thereto in accordance with their terms, without exception or amendment; (iii) any amounts payable under the Delta Agreements are actual and necessary costs and expenses of preserving the Debtors' estates and shall be entitled to priority as an allowed administrative expenses of the Debtors pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code; (iv) the Debtors must cure any defaults under the Delta Agreements as a condition to assumption; and (v) the Debtors are authorized to take any action necessary to implement the terms of the Assumption Order;

(e) each of the Debtors and each other Loan Party (i) shall not take any action to materially interfere with the assumption of or performance under the Delta Agreements, or support any other Person to take any such action; and (ii) shall take all steps commercially reasonably necessary, to contest any action that would materially interfere with the Delta Agreements, including, without limitation, litigating any objections and/or appeals;

(f) each of the Debtors and each other Loan Party (i) shall not file any motion seeking to avoid, disallow, subordinate, or recharacterize any obligation under the Delta Agreements and (ii) shall take all steps commercially reasonably necessary, to contest any action that would seek to avoid, disallow, subordinate, or recharacterize any obligation under the Delta Agreements, including, without limitation, litigating any objections and/or appeals;

(g) in the event there is an appeal of the Assumption Order:

(i) if the appeal has not been dismissed within sixty (60) days, then (A) the Aggregate Reserve Account Required Balance shall increase by $15 million per month as long as such appeal is pending, up to a cap of $300 million, and (B) such additional amounts accrued pursuant to clause (A) above shall be released to Delta within five (5) Business Days after the end of such appeal; and

(ii) the Debtors shall pursue a court order requiring any appellants to post a Cash Bond in an amount equal to or greater than the maximum amount of the License Termination Payment (as defined in the Delta IP License) that could be asserted if the Delta IP License were to terminate (without reduction for any potential mitigation), to an account held solely for the sole benefit of the Secured Parties and the secured parties in respect of any other Priority Lien Debt;

(h) the Bankruptcy Case shall not, and is not converted into, a case under chapter 7 of the Bankruptcy Code; and

(i) any plan of reorganization filed or supported by any Debtor shall expressly provide for assumption or reinstatement, as applicable, of all of the Delta Agreements and reinstatement or replacement of each of the related obligations and/or guarantees, subject to applicable cure periods.

For the avoidance of doubt, notwithstanding the foregoing, during the pendency of and following any stay or appeal of the Assumption Order, each Loan Party must continue to perform all obligations under the Delta Agreements, including making any and all payments under the Delta Agreements in accordance with the terms thereof and as described above and, in the event of any such payment default (subject to any applicable cure or grace periods under the applicable Delta Agreements), nothing shall limit any of the Lenders' rights and remedies including but not limited to any termination rights under the Delta Agreements.

"**Delta Intellectual Property**" shall mean any and all Intellectual Property used in connection with the operation of the Delta airline business that, even if used in connection with the SkyMiles Program, would be required or necessary to operate the Delta airline business in the absence of a Loyalty Program, including the following Intellectual Property: (a) the DELTA and DELTA AIR LINES marks and DAL as a stock symbol, together with any translations, logos or designs for the foregoing; (b) the delta.com domain name registration and website (including all content and source code that is not otherwise SkyMiles Intellectual

Property) and Delta's social media accounts; and (c) the Delta mobile app.

"**Delta Intercompany Loan**" shall mean one or more loans made by HoldCo 2 to Delta pursuant to the Delta Intercompany Note with the proceeds of the Term Loans and notes issued under the Indenture that have been distributed to HoldCo 2.

"**Delta Intercompany Note**" shall mean the promissory note(s) evidencing the Delta Intercompany Loan.

"**Delta IP License**" shall mean that certain Intellectual Property Sublicense Agreement between HoldCo 3, as licensor, and Delta, as licensee, in the form attached as Exhibit G-2.

"**Delta Traveler Related Data**" shall mean (a) data generated, produced or acquired as a result of the issuance, modification or cancellation of customer tickets from Delta or for flights on Delta, including data in or derived from "Passenger Name Records" (including name and contact information) associated with flights on Delta, (b) payment-related information, (c) customer login to the delta.com website or any successor website and (d) a customer's flight-related experience, but excluding in the case of clause (a) information that would not be generated, produced or acquired in the absence of a Loyalty Program. The parties acknowledge and agree that customer name, contact information (including name, mailing address, email address, and phone numbers), SkyMiles ID number or login and communication and promotion opt-ins (as described in clause (b) of the definition of "SkyMiles Member Profile Data") (to the extent that such communication and promotion opt-ins are not specific to the SkyMiles Program) are included in both SkyMiles Customer Data and Delta Traveler Related Data (it being understood that Delta shall be entitled to continue marketing its airline business in the ordinary course).

"**Depositary**" shall mean U.S. Bank National Association in its capacity as Depositary under the Loan Documents.

"**Determination Date**" shall mean, with respect to any Quarterly Reporting Period, the Payment Date occurring in the immediately succeeding fiscal quarter, unless an Early Amortization Period is in effect as of the last day of such Quarterly Reporting Period, in which case it shall mean the third Business Day preceding such Payment Date.

"**Direction of Payment**" shall mean a notice to each counterparty of a SkyMiles Agreement, substantially in the form of Exhibit F, which shall include instructions to such counterparties to pay all amounts due to Delta, Loyalty Co or any of their respective Affiliates under the applicable SkyMiles Agreement directly to the Collection Account.

"**Director Services Agreements**" shall mean (i) the director and share trustee services agreement dated on or about the Closing Date among Delta, Loyalty Co and Walkers Fiduciary Limited, (ii) the director services agreement dated on or about the Closing Date among Loyalty Co, the Loan Party Director (as defined therein) party thereto and Delta, (iii) the director

services agreement dated on or about the Closing Date among HoldCo 3, the Loan Party Director (as defined therein) party thereto and Loyalty Co, (iv) the director services agreement dated on or about the Closing Date among HoldCo 2, the Loan Party Director (as defined therein) party thereto and Loyalty Co and (v) the director services agreement dated on or about the Closing Date among HoldCo 1, the Loan Party Director (as defined therein) party thereto and Loyalty Co.

"**Disposition**" shall mean, with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer or other disposition thereof. The terms "**Dispose**" and "**Disposed of**" shall have correlative meanings.

"**Disqualified Lender**" shall mean any Person that is or becomes a competitor of Delta or is a vendor or manufacturer in respect of Delta and, in each case, is designated by Delta as such in a writing provided to the Administrative Agent prior to or after the Closing Date, including, in each case, reasonably identifiable Affiliates thereof; *provided* that in no event will any supplement to the list of Disqualified Lenders after the Closing Date apply retroactively to disqualify any Person that has previously acquired an assignment or a participation interest in respect of the Term Loan Commitments and Term Loans in accordance herewith from continuing to hold or vote such previously acquired assignments and participations on the terms set forth herein for Lenders that are not Disqualified Lenders.

"**Dollars**" and "**$**" shall mean lawful money of the United States of America.

"**DOT**" shall mean the United States Department of Transportation and any successor thereto.

"**Early Amortization Cure**" shall be deemed to occur on, (a) in the case of an Early Amortization Event that arises under clause (a) of the definition thereof, earlier of (i) the date Cure Amounts related to the Early Amortization Event have been deposited to the Collection Account and (ii) the first day of the Quarterly Reporting Period following the Quarterly Reporting Period related to the Determination Date on which the Peak Debt Service Coverage Ratio has been satisfied for two consecutive Determination Dates following the Determination Date on which the Early Amortization Event was triggered, (b) in the case of an Early Amortization Event that arises under clause (b) of the definition thereof, the date on which the balance in the Reserve Account is at least equal to the Aggregate Reserve Account Required Balance, (c) in the case of an Early Amortization Event under clause (c) or clause (d) of the definition thereof, the date that no Event of Default under this Agreement or "Early Amortization Event" under the Indenture or any other Senior Secured Debt Document, as applicable, shall exist or be continuing.

"**Early Amortization Event**" shall mean the occurrence of any of the following events:

(a) the Peak Debt Service Coverage Ratio Test is not satisfied as set forth in the report to be delivered pursuant to Section 5.01(d);

(b) the balance in the Reserve Account is less than the Aggregate Reserve Account Required Balance on any Payment Date after giving effect to the deposits set forth in Section 2.10(b) hereof on such Payment Date;

(c) a Borrower has received written notice or has actual knowledge that an Event of Default shall have occurred; or

(d) a Borrower has received written notice or has actual knowledge that an "Early Amortization Event" shall have occurred under the Indenture or any other Senior Secured Debt Document.

"**Early Amortization Payment**" shall mean, with respect to any Payment Date, if an Early Amortization Period was in effect as the last day of the Related Quarterly Reporting Period, an amount equal to the lesser of:

(i) 50% of the excess of:

(A) the Term Loans' Pro Rata Share of the sum of (1) the aggregate amount of Collections received in the Collection Account during such Quarterly Reporting Period *minus* (2) if such Early Amortization Period was not in effect on the first day of such Quarterly Reporting Period, the aggregate amount of Collections received in the Collection Account during such Quarterly Reporting Period prior to the first day of such Early Amortization Period *plus* (3) any Cure Amounts attributable to such Quarterly Reporting Period deposited in the Collection Account on or prior to the related Determination Date,

over

(B) the amount as most recently estimated by Delta to be distributed pursuant to Section 2.10(b)(i) through (viii) on the related Payment Date;

and

(ii) the amount necessary to pay the outstanding principal balance of the Term Loans (and accrued interest thereon) in full.

"**Early Amortization Period**" shall mean the period commencing on the occurrence of an Early Amortization Event, and ending on the earlier of (a) the date (if any) on which the Early Amortization Cure is consummated and (b) the date all Obligations (other than contingent obligations not due and owing) have been paid in full in cash.

~~"**Early Opt-in Election**" shall mean the occurrence of:~~

~~(a) (i) a determination by the Administrative Agent or (ii) a notification by the~~

~~Required Lenders to the Administrative Agent (with a copy to the Borrowers) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.09, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBO Rate, and (b) (i) the election by the Administrative Agent and the Borrowers or (ii) the election by the Required Lenders with the written consent of the Borrowers to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent and the Borrowers of written notice of such election to the Lenders or by the Required Lenders and the Borrowers of written notice of such election to the Administrative Agent and the other Lenders.~~

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

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Assignee**" shall mean (a) a commercial bank having total assets in excess of $1.0 billion, (b) a finance company, insurance company or other financial institution or fund, in each case reasonably acceptable to the Administrative Agent, which in the ordinary course of business extends credit of the type contemplated herein or invests therein and has total assets in excess of $200.0 million and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of the Code or Section 406 of ERISA, (c) any Lender or any Affiliate of any Lender, (d) an Approved Fund of any Lender, (e) any other Person (other than a Defaulting Lender, Disqualified Lender or natural Person or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of natural persons or any Affiliates of the foregoing) reasonably satisfactory to the Administrative Agent and, so long as no Event of Default under Section 7.01(b), 7.01(f), 7.01(g) or 7.01(o) has occurred and is continuing, the Borrowers and (f) solely with respect to assignments of Term Loans and solely to the extent permitted pursuant to Section 10.02(g), the Borrowers; *provided* that an "Eligible Assignee" shall not include any Disqualified Lender, any natural person or any Affiliate of the Borrowers.

"**Eligible Deposit Account**" shall mean (a) a segregated deposit account maintained with a depository institution or trust company whose short term unsecured debt

obligations are rated at least, if rated by S&P, A-1 by S&P, if rated by Moody's, P-1 by Moody's, and, if rated by Fitch, F-1 by Fitch, (b) a segregated account which is maintained with a depository institution or trust company whose long term unsecured debt obligations are rated at least, if rated by S&P, A by S&P, if rated by Moody's, A2 by Moody's and, if rated by Fitch, BBB- by Fitch or (c) a segregated trust account maintained in the corporate trust department of a federally or state chartered depository institution whose long-term unsecured debt obligations are rated at least, if rated by S&P, A by S&P, if rated by Moody's, A2 by Moody's and, if rated by Fitch, BBB- by Fitch, subject to regulations regarding fiduciary funds on deposit substantially similar to 12 C.F.R. §9.10(b) in effect on the date hereof.

"**Environmental Laws**" shall mean all applicable laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions or legally binding agreements issued, promulgated or entered into by or with any Governmental Authority, relating to the protection of the environment, preservation or reclamation of natural resources, the handling, treatment, storage, disposal, Release or threatened Release of, or the exposure of any human (including employees) to, any Hazardous Materials.

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

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

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

"**Escrow Accounts**" shall mean accounts of Delta or any Subsidiary, solely to the extent any such accounts hold funds set aside by Delta or any Subsidiary to manage the collection and payment of amounts collected, withheld or incurred by Delta or such Subsidiary for the benefit of third parties relating to: (a) federal income tax withholding and backup withholding tax, employment taxes, transportation excise taxes and security related charges; (b) any and all state and local income tax withholding, employment taxes and related charges and fees and similar taxes, charges and fees, including, but not limited to, state and local payroll withholding taxes, unemployment and supplemental unemployment taxes, disability taxes, workman's or workers' compensation charges and related charges and fees; (c) state and local

taxes imposed on overall gross receipts, sales and use taxes, fuel excise taxes and hotel occupancy taxes; (d) passenger facility fees and charges collected on behalf of and owed to various administrators, institutions, authorities, agencies and entities; (e) other similar federal, state or local taxes, charges and fees (including without limitation any amount required to be withheld or collected under applicable law); (f) other funds held in trust for, or otherwise pledged to or segregated for the benefit of, an identified beneficiary; or (g) accounts, capitalized interest accounts, debt service reserve accounts, escrow accounts and other similar accounts or funds established in connection with the ARB Indebtedness.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~"**Eurodollar Term Loan**" shall mean any Term Loan bearing interest at a rate determined by reference to the LIBO Rate.~~

"**Event of Default**" shall have the meaning given such term in Section 7.01.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Excluded Intellectual Property**" shall mean all (a) Intellectual Property other than the SkyMiles Intellectual Property and (b) Delta Traveler Related Data.

"**Excess Proceeds**" shall have the meaning set forth in Section 2.12(b)

"**Excluded Property**" shall have the meaning set forth in the Security Agreement; *provided* that, notwithstanding anything to the contrary in any Loan Document, Excluded Property shall include any assets and any equity interests in excess of 65% of voting equity interests of any CFC or FSHCO.

"**Excluded Taxes**" shall mean, with respect to any Agent, any Lender or any other recipient of any payment to be made by or on account of any Obligation of either any Borrower or any Guarantor hereunder or under any Loan Document, (a) any Taxes imposed on (or measured by) its net income, profits or capital, (however denominated) and franchise or similar Taxes, imposed in lieu thereof (i) by the United States of America or any political subdivision thereof or by any jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (ii) as a result of a present or former connection between such recipient and the jurisdiction imposing such Taxes (other than a connection arising from such recipient's having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or any Loan Document, or sold or assigned an interest in this Agreement or any Loan Document), (b) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction described in clause (a) above, (c) in the case of a Foreign Lender, any withholding Tax or gross

income Tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office), except, and then only to the extent that, such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such withholding Tax pursuant to Section 2.16(a), (d) in the case of a recipient, any withholding Tax that is attributable to such recipient's failure to deliver the documentation described in Section 2.16(f), 2.16(g), or 2.16(l) and (e) any withholding Tax that is imposed by reason of FATCA.

"**Extended Term Loan**" shall have the meaning set forth in Section 2.28(a)(ii). "**Extension**" shall have the meaning set forth in Section 2.28(a).

"**Extension Amendment**" shall have the meaning set forth in Section 2.28(d). "**Extension Offer**" shall have the meaning set forth in Section 2.28(a). "**Extension Offer Date**" shall have the meaning set forth in Section 2.28(a)(i).

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

"**Facility**" shall mean each of the Term Loan Commitments and the Term Loans made thereunder.

"**Fair Market Value**" shall mean the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by an officer of Delta (unless otherwise provided in this Agreement); *provided* that any such officer of Delta shall be permitted to consider the circumstances existing at such time (including, without limitation, economic or other conditions affecting the United States airline industry generally and any relevant legal compulsion, judicial proceeding or administrative order or the possibility thereof) in determining such Fair Market Value in connection with such transaction.

"**FATCA**" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement, any amended or successor provisions that are similar thereto and not materially more onerous to comply with, any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreements, treaty or convention among Governmental Authorities and implementing any of the foregoing (together with any Requirement of Law implementing such agreement involving any U.S. or non-U.S. regulations, fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement or official guidance).

"**Federal Funds Effective Rate**" shall mean, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that, if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Fee Letter**" shall have the meaning set forth in Section 2.19.

"**Fees**" shall collectively mean the fees referred to in Section 2.19.

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

"**Fitch**" shall mean Fitch Ratings, Inc., also known as Fitch Ratings, and its successors.

"Floor" means 1%.

"**Foreign Lender**" shall mean any Lender that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

"**FSHCO**" shall mean any Subsidiary substantially all the assets of which consist of equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) in one or more (a) CFCs and/or (b) other Subsidiaries substantially all the assets of which consist (directly or indirectly) of equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) in one or more CFCs; *provided* that no SPV Party shall be considered to be a FSHCO.

"**Fraudulent Transfer Laws**" shall have the meaning set forth in Section 2.05(a).

"**GAAP**" shall mean generally accepted accounting principles in the United States of America, which are in effect from time to time, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, statements and pronouncements of the Financial Accounting Standards Board, such other statements by such other entity as have been approved by a significant segment of the accounting profession and the rules and regulations of the SEC governing the inclusion of financial statements in periodic reports required to be filed pursuant to Section 13 of the

Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

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

"**Grantor**" shall mean each Loan Party that shall at any time pledge Collateral under a Collateral Document.

"**GS**" shall have the meaning set forth in the first paragraph of this Agreement.

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

"**Guaranteed Obligations**" shall have the meaning given such term in Section 9.01(a).

"**Guarantors**" shall mean, collectively, HoldCo 1, Holdco 2 and Holdco 3.

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

gas and all other substances or wastes of any nature that are regulated as hazardous pursuant to, or, due to their hazardous qualities, could reasonably be expected to give rise to liability under any Environmental Law.

"**HoldCo 1**" shall mean SkyMiles Holdings Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"**HoldCo 2**" shall mean SkyMiles IP Holdings Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"**HoldCo 3**" shall mean SkyMiles IP Finance Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"**HoldCo IP License**" shall mean that certain Intellectual Property License Agreement between Loyalty Co, as licensor, and HoldCo 3, as licensee, in the form attached as Exhibit G-1.

"**Increase Effective Date**" shall have the meaning set forth in Section 2.27(a).

"**Increase Joinder**" shall have the meaning set forth in Section 2.27(c).

"**Incremental Commitments**" shall have the meaning set forth in Section 2.27(a)

"**Incremental Lender**" shall have the meaning set forth in Section 2.27(a).

"**Incremental Priority Amount**" shall mean, at any time, (a) if Delta has (1) completed the merger and consolidation of a Loyalty Program of a Specified Acquisition Entity or one of its Subsidiaries or of an entity principally associated with such Specified Acquisition Entity or any of its Subsidiaries (a "**Specified Loyalty Program**") into the SkyMiles Program and (2) to the extent not effected pursuant to clause (1), caused such Specified Loyalty Program's cash revenues (which excludes airline revenues such as ticket sales and baggage fees), accounts in which such cash revenue is deposited, Intellectual Property and member data (but solely to the extent that such Intellectual Property and member data would be included in the definition of SkyMiles Intellectual Property, substituting references to the SkyMiles Program with references to such other Specified Loyalty Program) and material third-party contracts and intercompany agreements related to such Specified Loyalty Program to be pledged as Collateral (except to the extent constituting Excluded Property), subject to third party rights, applicable law and other Permitted Liens, an amount equal to the excess of (i) 1.4 *multiplied by* the aggregate amount of Transaction Revenues for the most recently completed four Quarterly Reporting Periods *over* (ii) $9.0 billion and otherwise (b) zero.

"**Incremental Term Loans**" shall have the meaning set forth in Section 2.27(a).

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

"**Indemnified Taxes**" shall mean Taxes other than Excluded Taxes imposed on or with respect to any payments made by any Borrower or any Guarantor under this Agreement or any other Loan Document.

"**Indemnitee**" shall have the meaning given such term in Section 10.04(b).

"**Indenture**" shall have the meaning set forth in the Collateral Agency and Accounts Agreement.

"**Independent Director**" shall mean, at any time with respect to any SPV Party, a director of such SPV Party that (1)(a) is appointed as Independent Director on the Closing Date and satisfies the Independent Director Criteria at such time or (b) is an Approved Replacement Independent Director that has been selected by the ordinary shareholder(s) of such SPV Party and (2) is a duly appointed "Independent Director" under and as defined in the constitutional documents of such SPV Party.

"**Independent Director Criteria**" shall mean criteria that shall be satisfied only in respect of a natural person that (a) is a director who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience; (b) either is approved by both Delta and the Administrative Agent or is provided by a company nationally recognized in the United States or the Cayman Islands for providing professional independent managers, that is not an Affiliate of any Loan Party or the Master Collateral Agent and that provides professional independent managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Director; and (c) is not, and has never been, and will not while serving as

Independent Director be, any of the following: (i) a member, partner, equityholder, manager, director, officer or employee of Loyalty Co or any of its equityholders, the Master Collateral Agent or any Affiliates of the foregoing (other than (A) equity ownership in Delta which (x) constitutes an immaterial amount of Delta stock and (y) is not material to the net worth of such Independent Director or (B) as an Independent Director of any SPV Party or any other Affiliate of Loyalty Co that is required by a creditor to be a single purpose bankruptcy-remote entity, *provided* that such Person either is approved by the Administrative Agent or is employed by a company that routinely provides professional independent managers or directors); (ii) a creditor, supplier or service provider (including provider of professional services) to Loyalty Co, the Master Collateral Agent or any of their respective equityholders or Affiliates (other than a nationally recognized company that routinely provides professional independent managers and other corporate services to Loyalty Co, the Master Collateral Agent or any of their respective equityholders or Affiliates in the ordinary course of business); (iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or (iv) a Person that controls (whether directly, indirectly or otherwise) any of clause (i), (ii) or (iii) above.

"**Initial Amortization Date**" shall mean the Payment Date in January 2023.

"**Initial Lenders**" shall mean each Lender having a Term Loan Commitment for an Initial Term Loan or, as the case may be, an outstanding Initial Term Loan.

"**Initial Term Loan**" shall have the meaning given such term in Section 2.01.

"**Intellectual Property**" shall mean all issued patents and patent applications, registered trademarks or service marks and applications to register any trademarks or service marks, brand names, trade dress, registered copyrights and applications for registration of copyrights, Trade Secrets, domain names, social media accounts and other intellectual property, whether registered or unregistered, including unregistered copyrights in software and source code and applications to register any of the foregoing.

"**Intercompany Agreements**" shall mean all currently existing or future agreements governing (a) the sale, transfer or redemption of Miles, or (b) the provision of services by Delta or any of its Subsidiaries to Loyalty Co in connection with the SkyMiles Program including: the Intercompany Agreement, dated as of the Closing Date, between Delta and Loyalty Co.

"**Intercreditor Agreement**" shall mean each of the Junior Lien Intercreditor Agreement and the Collateral Agency and Account Agreement.

"**Interest Distribution Amount**" shall mean, with respect to each Payment Date, the sum for each Class of Term Loans of the amount equal to (a) the product of (i) the applicable Interest Rate for the related Interest Period, *multiplied by* (ii) the Day Count Fraction, *multiplied by* (iii) the outstanding principal amount of Term Loans of such Class as of the first day of the related Interest Period, *plus* (b) any unpaid Interest Distribution Amounts in respect thereof from

prior Payment Dates *plus*, to the extent permitted by law, interest thereon at the applicable Interest Rate for the related Interest Period.

"**Interest Period**" shall mean for each Payment Date, the period from and including the Payment Date immediately preceding such Payment Date (or, with respect to the initial Payment Date, the Closing Date) to but excluding such Payment Date.

"**Interest Rate**" shall mean the rate of interest applicable to each Term Loan as set forth in Section 2.07(a), as such rate may be modified by Section 2.08 ~~or~~, Section 2.09 **or Section 2.20**.

"**Investment Grade**" shall mean a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch); a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's); and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P).

"**Investments**" shall mean, with respect to any Person, all direct or indirect investments made from and after the Closing Date by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees), capital contributions or advances (but excluding advance payments and deposits for goods and services and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of other Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The acquisition by Delta after the Closing Date of a Person that holds an Investment in a third Person will be deemed to be an Investment by Delta in such third Person. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"**IP Agreements**" shall mean (a) the Contribution Agreements, (b) the IP Licenses, (c) the IP Management Agreement, and (d) each other contribution agreement, license or sublicense related to the SkyMiles Intellectual Property that is required to be entered into after the Closing Date pursuant to the terms of the Loan Documents and mutually specified as an "IP Agreement".

"**IP Licenses**" shall mean (a) the HoldCo IP License and (b) the Delta IP License.

"**IP Management Agreement**" shall mean that certain Management Agreement among Loyalty Co, HoldCo 3, the IP Manager and the Master Collateral Agent pursuant to which the IP Manager will provide certain services to Loyalty Co and HoldCo 3 with respect to SkyMiles Intellectual Property, substantially in the form of Exhibit H hereto.

"**IP Manager**" shall mean Delta (or any of its affiliates to the extent a permitted successor or assign), in its capacity as IP Manager under the IP Management Agreement, or any Successor Manager (as such term is defined under the IP Management Agreement).

"**IP Security Agreements**" shall have the meaning set forth in the Security Agreement.

"**Junior Lien Debt**" shall mean, any Indebtedness owed to any other Person, so long as (i) such Indebtedness is expressly subordinated in right of payment to the Priority Lien Debt in the agreement, indenture or other instrument governing such Indebtedness and in a Junior Lien Intercreditor Agreement, (ii) the Liens on the Collateral securing such Indebtedness are subordinated to the Liens on the Collateral securing the Term Loans, and such Indebtedness of the Loan Parties shall be subordinated to the Term Loans, in each case pursuant to a Junior Lien Intercreditor Agreement, (iii) the Weighted Average Life to Maturity of such Indebtedness shall be no shorter than the remaining Weighted Average Life to Maturity of the existing Term Loans, (iv) the maturity date for such Indebtedness shall be at least 91 days after the Latest Maturity Date, and (v) the terms and conditions governing such Indebtedness of the Loan Parties shall (a) be reasonably acceptable to the Administrative Agent or (b) not be materially more restrictive, when taken as a whole, on the SPV Parties (as determined in good faith by Loyalty Co), than the terms of the then-outstanding Term Loans (except for (x) terms that are conformed (or added) in the Loan Documents for the benefit of the Lenders holding then-outstanding Term Loans pursuant to an amendment hereto or thereto subject solely to the reasonable satisfaction of Loyalty Co and the Administrative Agent, (y) covenants, events of default and guarantees applicable only to periods after the Latest Maturity Date (as of the date of the incurrence of such Junior Lien Debt) and (z) pricing, fees, rate floors, premiums, optional prepayment or redemption terms) unless the Lenders under the then-outstanding Term Loans, receive the benefit of such more restrictive terms; *provided* that (A) in no event shall such Indebtedness be subject to events of default, mandatory prepayment or acceleration resulting (either directly or through a cross-default or cross-acceleration provision) from the occurrence of any event described in the definition of "Parent Bankruptcy Event" (or the occurrence of any such event with respect to any Subsidiary of Delta other than any SPV Party) except on the same terms as the then-outstanding Term Loans and (B) any such Indebtedness shall include separateness provisions regarding each SPV Party substantially similar to the provisions of Section 5.07.

"**Junior Lien Debt Documents**" shall mean any documents, instruments, notes, credit agreements, purchase agreements or other agreements entered into in connection with the incurrence or issuance of any Junior Lien Debt.

"**Latest Maturity Date**" shall mean, at any date of determination, the latest maturity date of any Term Loan or of any other Priority Lien Debt.

"**Lead Arrangers**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Lenders**" shall have the meaning set forth in the first paragraph of this Agreement.

~~"**LIBO Rate**" shall mean, with respect to each day during an Interest Period, (i) the rate per annum appearing on Reuters Pages LIBOR01 or LIBOR02 (or on any successor or substitute page(s) of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent in its reasonable discretion from time to time for purposes of providing quotations of interest rates applicable to Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits with a maturity of three (3) months or (ii) in the event that the rate identified in the foregoing clause (i) is not available at such time for any reason (any such Interest Period, an "**Impacted Interest Period**"), then such rate shall be the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Rate for the longest period for which the LIBO Rate is available for Dollars that is shorter than the Impacted Interest Period; and (b) the LIBO Rate for the shortest period (for which that LIBO Rate is available for Dollars) that exceeds the Impacted Interest Period, in each case, at such time; *provided* that, if less than 1.0%, the LIBO Rate shall be deemed to be 1.0% for the purposes of this Agreement.~~

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

"**Loan Documents**" shall mean this Agreement, the Collateral Documents, the Fee Letter, any promissory notes executed in favor of a Lender and any other instrument or agreement (which is designated as a Loan Document therein) executed and delivered by any Loan Party to the Administrative Agent, the Master Collateral Agent, the Collateral Administrator or any Lender.

"**Loan Parties**" shall mean the Borrowers and the Guarantors.

"**Loan Request**" shall mean a request by the Borrowers, executed by a Responsible Officer of the Borrowers, for a Term Loan in accordance with Section 2.03 in substantially the form of Exhibit D.

"**Loyalty Co**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Loyalty Program**" shall mean any customer loyalty program available to individuals (i.e., natural persons) that grants members in such program Currency based on a member's purchasing behavior and that allows a member to accrue and redeem such Currency for a benefit or reward, including flights and/or other goods and services.

"**Make-Whole Amount**" means, an amount equal to the greater of (a) 104% of the principal amount of the Term Loans to be repaid and (b) the excess (to the extent positive) of:

i. the present value at such prepayment date of the principal amount of the Term Loans being repaid, of (1) the prepayment price of such Term Loans at the third anniversary of the Closing Date (excluding accrued and unpaid interest), such prepayment price (expressed in percentage of principal amount) being 104%, plus (2) all required interest payments due on such Term Loans to and including the date set forth in clause (1) (excluding accrued but unpaid interest), computed upon the prepayment date using a discount rate equal to the Treasury Rate at such prepayment date plus 50 basis points and assuming that the rate of interest on the principal amount from such prepayment date to the date set forth in clause (1) will equal the rate of interest on that principal amount in effect on the applicable prepayment date; over

ii. the principal amount of the Term Loans to be prepayment.

"**Master Collateral Agent**" shall mean U.S. Bank National Association in its capacity as Master Collateral Agent under the Loan Documents.

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

"**Material Adverse Effect**" shall mean a material adverse effect on (a) the business, operations or financial condition of Delta and its Subsidiaries, taken as a whole, (b) the validity or enforceability of the Loan Documents or the rights or remedies of the Secured Parties, (c) the ability of Loyalty Co to pay the Obligations, (d) the validity, enforceability or collectability of the Material SkyMiles Agreements, the IP Licenses or the Contribution Agreements generally or any material portion of the Material SkyMiles Agreements, the IP Licenses or the Contribution Agreements, taken as a whole, (e) the business and operations of the SkyMiles Program or (f) the ability of the Loan Parties to perform their material obligations under the IP Agreements, the Delta Intercompany Loan or the Material SkyMiles Agreements to which it is a party; provided, that no condition or event that has been disclosed in the public filings for Delta on or prior to the Closing Date shall be considered a "Material Adverse Effect" hereunder.

"**Material Indebtedness**" shall mean Indebtedness of any Loan Party (other than the Term Loans) outstanding under the same agreement in a principal amount exceeding $200 million.

"**Material Modification**" shall mean:

(1) any amendment or waiver of, or modification or supplement to, a Material SkyMiles Agreement (other than the Intercompany Agreements) executed or effected on or after the Closing Date which: (a) extends, waives, delays or contractually or structurally subordinates one or more payments due to any Loan Party with respect to such Material SkyMiles Agreement; (b) reduces the rate or amount of payments due to any Loan Party with respect to such Material SkyMiles Agreement; (c) gives any Person other than Loan Parties party to such Material SkyMiles Agreement additional or improved termination rights with respect to such Material SkyMiles Agreement; (d) shortens the term of such Material SkyMiles Agreement or expands or improves any counterparty's rights or remedies following a termination; or (e) imposes new financial obligations on any Loan Party under such Material SkyMiles Agreement, in each case, to the extent such amendment, waiver, modification or other supplement would reasonably be expected to result in a Payment Material Adverse Effect; and

(2) any amendment or waiver of, or modification or supplement to, an Intercompany Agreement or the Delta Intercompany Loan which: (a) sets or shortens the scheduled maturity or term of the Intercompany Agreement to a date earlier than the Latest Maturity Date then in effect, (b) (i) sets or shortens the scheduled maturity of the Delta Intercompany Loan to a date earlier than the Latest Maturity Date then in effect, (ii) changes the obligor on the Delta Intercompany Loan, or (iii) reduces the outstanding principal amount of the Delta Intercompany Loan held by HoldCo 2 to be less than the aggregate outstanding principal amount of the Senior Secured Debt outstanding, (iv) changes the ability of Delta to repay the Delta Intercompany Loan or the payee under the Delta Intercompany Loan to demand payment in a manner that would result in the outstanding principal amount of the Delta Intercompany Loan held by HoldCo 2 to be less than the aggregate outstanding principal amount of the Senior Secured Debt outstanding, (c) amends, modifies or otherwise changes the EBITDA Margin for Miles payments payable by Delta to Loyalty Co as specified in Section 3.3 of the Intercompany Agreement (including changes to the definitions of "EBITDA Margin" and "Excluded Miles" in the Intercompany Agreement or Exhibit 1 to the Intercompany Agreement) in a manner reducing the amount payable to Loyalty Co or reduces the frequency of payments under the Intercompany Agreement to be less frequent than monthly, (d) amends, modifies or otherwise changes the calculation or rate of fees, expenses or termination payments due and owing under the Intercompany Agreement except to the extent addressed in clause (c) above, in a manner reducing the amount owed to Loyalty Co, (e) changes the contractual subordination of payments thereunder in a manner materially adverse to the Lenders, (f) changes the ability for the Master Collateral Agent to demand payment under the Delta Intercompany Loan, (g) permits payments due to Loyalty Co to be deposited to an account other than the Collection Account, (h) changes the amendment standards applicable to such agreement (other than changes affecting rights of the Administrative Agent or the Master Collateral Agent to consent to amendments, which is covered by clause (i)), (i) materially impairs the rights of the Administrative Agent or the Master Collateral Agent to enforce or consent to amendments to any provisions of any such agreement in accordance therewith, (j) changes Section 2.3 of the Intercompany Agreement such that Loyalty Co no longer has the exclusive right to issue and create Miles or (k) amends, modifies or

otherwise changes Section 2.1 of the Intercompany Agreement in any manner that adversely affects Loyalty Co's ability to perform its obligations under the SkyMiles Agreements or any other agreement related to the SkyMiles Program, and in the case of clauses (c), (d), (f) and (h) if the amendment, waiver, modification or supplement would reasonably be expected to cause a Payment Material Adverse Effect (*provided* that in the case of clause (c), any change to the 20% EBITDA Margin or to the inclusion of redemption cost or operating expense in EBITDA Margin will not be subject to a Payment Material Adverse Effect qualification).

Notwithstanding anything to the contrary in this definition, the entrance into a Permitted Replacement SkyMiles Agreement shall not constitute a Material Modification.

"**Material SkyMiles Agreements**" shall mean (a) each Intercompany Agreement, (b) the AmEx Co-Branded Agreement, (c) the AmEx Membership Rewards Agreement, (d) each Permitted Replacement SkyMiles Agreement, and (e) as of any date, each other SkyMiles Agreement that generated Transaction Revenues equal to 10% or more of Transaction Revenues from SkyMiles Agreements received over the twelve months prior to such date, in each case, as amended, restated, supplemented, or otherwise modified from time to time as permitted by the Loan Documents.

"**Maximum Amortization Amount**" means, as of any day of determination, an amount equal to the greatest Senior Secured Amortization Amount for any Payment Date occurring on or after such day of determination until (and including) the Latest Maturity Date at such time.

"**Maximum Quarterly Debt Service**" means, for any Determination Date, an amount equal to the sum of:

(a) the Maximum Amortization Amount at such time; and

(b) the Interest Distribution Amount that is or will be due on the related Payment Date;

(c) the sum of the "Interest Distribution Amounts" (as such term, or such similar or analogous term, is defined in the other applicable Senior Secured Debt Documents) that are or will be due on the related Payment Date for each Series of Senior Secured Debt (other than the Term Loans).

"**Miles**" shall mean the Currency under the SkyMiles Program.

"**Minimum Extension Condition**" shall have the meaning given such term in Section 2.28(c).

"**Moody's**" shall mean Moody's Investors Service, Inc., together with its successors.

"**Net Proceeds**" means (a) with respect to any Collateral Sale, Recovery Event or Contingent Payment Event, the aggregate cash proceeds and Cash Equivalents received by Delta or any of its Subsidiaries in respect thereof, net of: (i) the direct costs and expenses relating to such Collateral Sale, Recovery Event or Contingent Payment Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Collateral Sale, Recovery Event or Contingent Payment Event, taxes paid or payable as a result of the Collateral Sale, Recovery Event or Contingent Payment Event, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements; and (ii) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with GAAP; and (b) with respect to any issuance or incurrence of Indebtedness (including Qualifying Note Debt or Permitted Pre-paid Miles Purchases), the cash proceeds thereof, net of (i) any fees, underwriting discounts and commissions, premiums, and other costs and expenses incurred in connection with such issuance and (ii) attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses, and brokerage, consultant, accountant, and other customary fees.

"**Non-Consenting Lender**" shall have the meaning set forth in Section 10.08.

"**Non-Control Investment**" means an investment in an airline in which Delta does not possess, directly or indirectly, (a) more than 50% of the voting power of the ownership interests of such airline or the entity that operates any Loyalty Program thereof or (b) the ability to appoint a majority of the members of the Board of Directors (or equivalent governing body) of such airline or the entity that operates the loyalty program thereof.

"**Non-Defaulting Lender**" shall mean, at any time, a Lender that is not a Defaulting Lender.

"**Non-Extending Lender**" shall have the meaning set forth in Section 10.08.

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

"**Obligations**" shall mean the unpaid principal of and interest on (including interest accruing after the maturity of the Term Loans and interest accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), the Term Loans, and all other obligations and liabilities of the Borrowers to any Agent or any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under this Agreement or any other Loan Document, whether on account of principal, interest, reimbursement obligations, fees, indemnities, out-of-pocket costs, and expenses (including all fees, charges and

disbursements of counsel to any Agent or any Lender that are required to be paid by the Borrowers pursuant hereto or under any other Loan Document) or otherwise.

"**Officer**" shall mean, (i) with respect to any Loan Party other than Delta, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Director, any Manager, any Managing Member or any Vice-President of such Person and (ii) with respect to Delta, the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, vice president, controller, chief accounting officer, secretary or assistant secretary of Delta, but in any event, with respect to financial matters, the chief financial officer, treasurer, assistant treasurer, controller or chief accounting officer of Delta.

"**Officer's Certificate**" shall mean a certificate signed on behalf of a Borrower (or such other applicable Person) by an Officer of such Borrower (or such other applicable Person), respectively.

"**On-line Tracking Data**" shall mean any information or data collected in relation to on-line activities that can reasonably be associated with a particular user or computer or other device.

"**Other Taxes**" shall mean any and all present or future stamp, mortgage, intangible, recording, filing or documentary taxes or any other similar taxes, charges or similar levies arising from any payment made under this Agreement or any Loan Document or from the execution, performance, delivery, registration of or enforcement of this Agreement or any other Loan Document excluding, in each case, any such Tax resulting from an Assignment and Acceptance or transfer or assignment to or designation of a new applicable lending office or other office for receiving payments under any Loan Document (an "**Assignment Tax**") but only if (a) such Assignment Tax is imposed as a result of a present or former connection of the assignor or assignee with the jurisdiction imposing such Assignment Tax (other than any connection arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any transaction pursuant to or enforced any Loan Documents or sold or assigned an interest in any Term Loan or Loan Documents or any transactions contemplated thereby) and (b) such Assignment Tax does not arise as a result of an assignment (or designation of a new applicable lending office) pursuant to a request by the Borrowers under Section 10.02.

"**Parent Bankruptcy Event**" shall mean (a) Delta (i) commences a voluntary case or procedure or (ii) consents to the entry of an order for relief against it in an involuntary case or (b) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Delta, (ii) appoints a receiver, trustee, liquidator, provisional liquidator, custodian, conservator or other similar official of Delta for all or substantially all of its property, or (iii) orders the liquidation of Delta, and in each case under clause (b) the order or decree remains unstayed and in effect for sixty (60) consecutive days.

"**Parent Change of Control**" shall mean the occurrence of any of the following:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Delta and its subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than any such transaction where the holders of Delta's Voting Stock immediately before that transaction own, directly or indirectly, not less than a majority of the Voting Stock of the transferee, or the parent thereof, immediately after such transaction and in substantially the same proportion as their ownership in Delta before the transaction;

(b) the adoption of a plan relating to the liquidation or dissolution of Delta; and

(c) consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than Delta or its subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of Delta's Voting Stock or other Voting Stock into which Delta's Voting Stock is reclassified, consolidated, exchanged, or changed measured by voting power rather than number of shares, other than any such transaction where:

(i) Delta's outstanding Voting Stock is reclassified, consolidated, exchanged, or changed for other Voting Stock of Delta or for Voting Stock of the surviving corporation, and

(ii) the holders of Delta's Voting Stock immediately before that transaction own, directly or indirectly, not less than a majority of Delta's Voting Stock or the Voting Stock of the surviving parent corporation immediately after such transaction and in substantially the same proportion as their ownership in Delta before the transaction.

"**Parent Change of Control Triggering Event**" means the occurrence of both a Parent Change of Control and a Rating Decline.

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

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

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

"**Patriot Act**" shall mean the USA Patriot Act, Title III of Pub. L. 107-56, signed into law on October 26, 2001 and any subsequent legislation that amends or supplements such Act or any subsequent legislation that supersedes such Act.

"**Payment Account**" shall have the meaning given such term in the Collateral Agency and Accounts Agreement.

"**Payment Date**" shall mean (a) the 20th calendar day of January, April, July and October of each year, or if such day is not a Business Day, the next succeeding Business Day, commencing January 20, 2021 and (b) the Termination Date.

"**Payment Material Adverse Effect**" shall mean a material adverse effect on (a) the ability of Loyalty Co to pay the Obligations, (b) the validity or enforceability of the Loan Documents or the rights or remedies of the Secured Parties, or (c) the validity, enforceability or collectability of the SkyMiles Agreements, the IP Licenses or the Contribution Agreements generally or any material portion of the SkyMiles Agreements, the IP Licenses or the Contribution Agreements, taken as a whole; *provided* that no condition or event that has been disclosed in the public filings for Delta on or prior to the Closing Date shall be considered a "Payment Material Adverse Effect" hereunder.

"**Payroll Accounts**" shall mean depository accounts used only for payroll.

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

"**Peak Debt Service Coverage Ratio**" shall mean, with respect to any Determination Date, the ratio obtained by dividing (i) the sum (without duplication) of (x) the aggregate amount of Collections deposited to the Collection Account during the Related Quarterly Reporting Period and (y) Cure Amounts deposited to the Collection Account on or prior to such Determination Date (and which remain on deposit in the Collection Account on such Determination Date) by (ii) the Maximum Quarterly Debt Service for such Determination Date; provided, however, that any amounts due during a Quarterly Reporting Period but deposited into the Collection Account no later than the Determination Date related to such Quarterly Reporting Period may at any Borrower's option upon notice to the Master Collateral Agent and the Administrative Agent, be treated as if such amounts were on deposit in the Collection Account as of the end of such Quarterly Reporting Period and if so treated, such amounts shall not be considered Collections for any other Payment Date for purposes of the Peak Debt Service Coverage Ratio calculation.

"**Peak Debt Service Coverage Ratio Test**" shall be satisfied as of any Determination Date if the Peak Debt Service Coverage Ratio is not less than (i) for the Determination Dates in January 2021, April 2021 and July 2021, 0.75 to 1.00; (ii) for the Determination Dates in October 2021, January 2022 and April 2022, 1.00 to 1.00; (iii) for the

Determination Dates in July 2022 and October 2022, 1.50 to 1.00; and (iv) for any Determination Date thereafter, 2.00 to 1.00.

"**Permitted Acquisition Loyalty Program**" shall mean a Loyalty Program owned, operated or controlled, directly or indirectly by a Specified Acquisition Entity or any of its Subsidiaries, or principally associated with such Specified Acquisition Entity or any of its Subsidiaries so long as: (1) the Specified Acquisition Entity's Loyalty Program is operated so that it is not more competitive, taken as a whole, than the SkyMiles Program (as determined by Delta in good faith), (2) Delta does not take any action that would reasonably be expected to disadvantage the SkyMiles Program relative to the Specified Acquisition Entity's Loyalty Program, (3) no members of the SkyMiles Program are targeted for membership in the Specified Acquisition Entity's Loyalty Program; provided that this clause (3) shall not prohibit general advertisements, promotions or similar general marketing activities related to the Specified Acquisition Entity, (4) except as attributable to market or business conditions as determined in good faith by Delta, Delta will devote substantially similar resources to the SkyMiles Program, including to Delta distribution and marketing channels, as were applicable immediately prior to the consummation of the acquisition of the Specified Acquisition Entity; and (5) Delta does not announce to the public, the members of the SkyMiles Program or the members of the Specified Acquisition Entity's Loyalty Program that the Specified Acquisition Entity's Loyalty Program is the primary Loyalty Program for Delta.

"**Permitted Business**" shall mean any business that is the same as, or reasonably related, ancillary, supportive or complementary to, the business in which the SPV Parties are engaged (including the operation of the SkyMiles Program) on the date of this Agreement.

"**Permitted Deposit Amounts**" has the meaning set forth in the Collateral Agency and Accounts Agreement.

"**Permitted Disposition**" shall mean any of the following:

(a) the Disposition of Collateral permitted under the applicable Collateral Documents;

(b) the licensing or sub-licensing or granting of similar rights of Intellectual Property or other general intangibles pursuant to any SkyMiles Agreement or as otherwise permitted by (or pursuant to) the IP Agreements;

(c) the abandonment or cancellation of Intellectual Property in the ordinary course of business;

(d) any transfer, deletion, de-identification or purge of any Personal Data that is required or permitted under applicable privacy laws, under any of the Loan Parties' public-facing privacy policies or in the ordinary course of business (including in connection with terminating inactive SkyMiles Program member accounts) pursuant to the applicable Loan

Party's privacy and data retention policies consistent with past practice;

(e) the Disposition of cash or Cash Equivalents constituting Collateral in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor;

(f) to the extent constituting a Disposition, (i) the incurrence of Liens that are permitted to be incurred pursuant to Section 6.06 or (ii) the making of (x) any Restricted Payment that is permitted to be made, and is made, pursuant to Section 6.01 or (y) any Permitted Investment;

(g) Dispositions in connection with any Intercompany Agreement or IP

(h) condemnation, expropriation or any similar action on assets or other dispositions required by a Governmental Authority or casualty or insured damage to assets;

(i) surrender or waive contractual rights and settle, release, surrender or waive contractual or litigation claims (or other Disposition of assets in connection therewith);

(j) the expiration of the following registered Intellectual Property: (A) any copyright, the term of which has expired under applicable law; (B) any patent, the term of which has expired under applicable law, taking into account all patent term adjustments and extensions, and provided that all maintenance fees are paid; and (C) any trademark or service mark, the term of which has expired under applicable law because a declaration or statement of use to maintain the registration cannot be submitted to, or has been finally rejected by, the relevant governmental authority because such trademark or service mark is no longer in use; in each case, subject to the terms and conditions of the IP Management Agreement;

(k) [Reserved]; and

(l) the sale of Miles in the ordinary course of business under the terms of the SkyMiles Agreements.

"**Permitted Investments**" shall mean:

1. to the extent constituting an Investment, Investments in any SPV Party arising from the transactions contemplated in any Loan Document;

2. any Investment in cash, Cash Equivalents and any foreign equivalents;

3. any Investments received in a good faith compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business,

including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes;

4. prepayment of any Term Loans in accordance with the terms and conditions of this Agreement;

5. any guarantee of Indebtedness of the SPV Parties to the extent otherwise permitted under this Agreement;

6. accounts receivable arising in the ordinary course of business; and

7. Investments in connection with outsourcing initiatives in the ordinary course of business.

"**Permitted Liens**" shall mean:

(1) Liens securing the Priority Lien Debt, including pursuant to the Loan Documents, so long as such Indebtedness and such Liens are subject to the Collateral Agency and Accounts Agreement;

(2) Liens securing Junior Lien Debt; *provided* that such Liens secured by the Collateral shall (i) rank junior to the Liens secured by the Collateral securing the Obligations and
(ii) be subject to a Junior Lien Intercreditor Agreement;

(3) Liens of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or any comparable or successor provision on items in the course of collection;

(4) (i) any overdrafts and related liabilities arising from treasury, netting, depository and cash management services or in connection with any automated clearing house transfers of funds, in each case as it relates to cash or Cash Equivalents, if any, (ii) Liens in favor of depositary banks or a securities intermediary arising as a matter of law or that are contractual rights of set off encumbering deposits and that are within the general parameters customary in the banking or finance industry and (iii) other than with respect to the SPV Parties, attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business;

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

(6) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

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

(8) to the extent constituting Liens, the rights granted by any Loan Party to another Loan Party or the Master Collateral Agent pursuant to any Intercompany Agreement or IP Agreement (other than any rights granted thereunder following any amendment or modification thereof that is not permitted by the terms of such agreement or this Agreement);

(9) (i) leases and subleases by any Grantor as they relate to any Collateral and to the extent such leases or subleases (A) do not interfere in any material respect with the business of such Grantor and (B) do not relate to Intellectual Property or SkyMiles Agreements or (ii) to the extent constituting Liens, licenses, sub-licenses and similar rights as they relate to any SkyMiles Intellectual Property (A) granted to any third-party counterparty of any SkyMiles Agreements pursuant to the terms of such agreement or (B) as otherwise expressly permitted by the IP Licenses and the Collateral Documents to be granted to any Person (other than any sub-license or similar right granted thereunder following any amendment or modification thereof that is not permitted by the terms of such agreement or this Agreement);

(10) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Priority Lien Debt or Junior Lien Debt in connection with a permitted repayment thereof and in favor of the Master Collateral Agent (in the case of Priority Lien Debt) or the collateral agent, administrative agent or trustee in respect of such Junior Lien Debt; *provided* that (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;

(11) Liens consisting of an agreement to dispose of any property pursuant to a Disposition permitted hereunder;

(12) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by any Grantor or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof, in each case so long as such rights (A) do not interfere in any material respect with the business of such Grantor and (B) do not relate to Intellectual Property or SkyMiles Agreements except as provided in the Collateral Documents;

(13) (i) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or with respect to other regulatory requirements in connection therewith or (ii) letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the

ordinary course of its business;

(14) Liens in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract encumbering deposits, including deposits in "pooled deposit" or "sweep" accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(15) Liens existing on the Closing Date set forth on Schedule 1.01(b); and

(16) any extension, modification, renewal, refinancing or replacement of the Liens described in clauses (1) through (15) above, provided that such extension, modification, renewal or replacement does not increase the amount of Indebtedness associated therewith.

"**Permitted Pre-paid Miles Purchases**" shall mean Pre-paid Miles Purchases permitted by Section 6.02(b).

"**Permitted Replacement SkyMiles Agreement**" shall mean any SkyMiles Agreement entered into by any Loan Party to replace any Material SkyMiles Agreement (other than an Intercompany Agreement) that has been (or will be) terminated, cancelled or expired; provided that:

(a) the Rating Agency Condition has been met;

(b) the counterparty to such Permitted Replacement SkyMiles Agreement shall have a corporate rating from at least two of S&P, Moody's and Fitch of not lower than BBB, Baa2 and BBB, respectively;

(c) the projected cash revenues (as determined in good faith by the Loan Parties) under such Permitted Replacement SkyMiles Agreement for (i) the immediately succeeding 24 months shall equal no less than 75% of the actual cash revenues of the Material SkyMiles Agreement that it is replacing and (ii) the 12 months following such 24 months shall equal no less than 85% of the actual cash revenues of the Material SkyMiles Agreement that it is replacing, in each case determined on an annualized basis using the 12 months preceding the termination of such Material SkyMiles Agreement;

(d) such Permitted Replacement SkyMiles Agreement shall expressly permit the applicable Loan Party to pledge its rights thereunder to the Master Collateral Agent;

(e) such Permitted Replacement SkyMiles Agreement shall have confidentiality obligations that are not materially more restrictive (taken as a whole) than the confidentiality obligations in the Material SkyMiles Agreements in existence on the date hereof (as determined in good faith by the Loan Parties);

(f) such Permitted Replacement SkyMiles Agreement shall not have a

scheduled termination date prior to the Latest Maturity Date; and

(g) no Early Amortization Event or Event of Default would result therefrom.

It being acknowledged and agreed that so long as the conditions in clauses (a) through (g) of this definition are satisfied, an amendment and restatement, amendment and/or extension of a then existing Material SkyMiles Agreement with an existing counterparty shall constitute a Permitted Replacement SkyMiles Agreement.

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

"**Petition Date**" shall have the meaning given to such term in the definition of "Delta Case Milestones".

"**Personal Data**" shall mean (i) any information or data that alone or together with any other data or information can be used to identify, directly or indirectly, a natural person or otherwise relates to an identified or identifiable natural person and (ii) any other information or data considered to be personally identifiable information or data under applicable law.

"**Plan**" shall mean a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is a pension plan subject to the provisions of Title IV of ERISA, Sections 412 or 430 of the Code or Section 302 of ERISA.

"**Portfolio Interest Exemption**" shall have the meaning set forth in Section 2.16(g)(iv).

"**Pre-paid Miles Purchases**" shall mean the sale by the Loan Parties of pre-paid Miles to a counterparty of a SkyMiles Agreement or any similar transaction involving a counterparty of a SkyMiles Agreement advancing funds to Delta or any of its Subsidiaries against future payments to Delta or any of its Subsidiaries by such counterparty under such SkyMiles Agreement.

"**Premium**" shall mean any amounts under clauses (a), (b), (c) or (d) of Section 2.21.

"**Prime Rate**" shall mean the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the

Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"**Priority Lien Cap**" shall mean, at any time, an amount equal to the sum of (a) $9.0 billion *plus* (b) the Incremental Priority Amount at such time (if any).

"**Priority Lien Debt**" shall mean (i) the Term Loans; (ii) the notes issued under the Indenture; and (iii) any incremental Term Loans or other Indebtedness incurred or any additional notes issued under the Indenture, in each case, incurred or issued after the Closing Date, pursuant to and in accordance with Section 6.02(c).

"**Priority Lien Debt Documents**" shall mean any documents, instruments, notes, credit agreements, purchase agreements or other agreements entered into in connection with the incurrence or issuance of any Priority Lien Debt.

"**Pro Rata Share**" means, on any date, a proportion equal to (a) the aggregate principal amount of Term Loans outstanding on such date *divided by* (b) the aggregate principal amount of Priority Lien Debt outstanding on such date.

"**PTE**" shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"**QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"**QFC Credit Support**" shall have the meaning set forth in Section 10.21.

"**Qualified Professional Asset Manager**" shall have the meaning set forth in Section 10.20(a)(iii)(A).

"**Qualified Replacement Assets**" shall mean assets used or useful in the business of the Loan Parties that shall be pledged as Collateral on a first lien basis.

"**Qualifying Note Debt**" shall mean Indebtedness issued in a Capital Markets Offering by the Borrowers on or around the Closing Date or in connection with the primary syndication of the Term Loans.

"**Quarterly Reporting Period**" means (a) initially, the period commencing on the Closing Date and ending on December 31, 2020 and (b) thereafter, each successive period of three consecutive months.

"**Rating Agency**" shall mean (1) each of Fitch, Moody's, and S&P, and (2) if any of Fitch, Moody's, or S&P ceases to rate the Term Loans or fails to make a rating of the Term Loans publicly available for reasons outside of Delta's control, a "nationally recognized statistical rating organization" as defined in Section 3 (a)(62) of the Exchange Act, selected by

Delta (as certified by a resolution of Delta's Board of Directors) as a replacement agency for Fitch, Moody's, or S&P, or all of them, as the case may be.

"**Rating Agency Condition**" shall mean, with respect to any then-existing Term Loans and any action, the Borrowers have provided evidence to the Administrative Agent and the Collateral Agent that each Rating Agency that has provided a rating for the Facility pursuant to Section 5.15 has provided a written confirmation that such action will not result in either (A) a withdrawal of its credit ratings on the then-existing Term Loans or (B) the assignment of credit ratings on the then-existing Term Loans below the lower of (x) the then-current credit ratings on such Term Loans and (y) the initial credit ratings assigned to such Term Loans (in each case, without negative implications); *provided* that any time that there are no Term Loans rated by a Rating Agency, references to any condition or requirement that the "Rating Agency Condition" shall have been satisfied shall have no effect and no such action shall be required.

"**Rating Decline**" shall mean with respect to the Term Loans, if, within 60 days after public notice of the occurrence of a Parent Change of Control (which period shall be extended so long as the rating of the Term Loans is under publicly announced consideration for possible downgrade by any Rating Agency providing a rating for the Facility pursuant to Section 5.15), the rating of the Term Loans by each Rating Agency that has at such time provided a rating for the Term Loans pursuant to Section 5.15 shall be decreased by one or more gradations and in each case below Investment Grade; *provided* that a Rating Decline shall not be deemed to have occurred if such Rating Agencies have not expressly indicated that such downgrade is a result of such Parent Change of Control.

"**Recovery Event**" shall mean any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Collateral.

"**Refinanced Term Loans**" shall have the meaning set forth in Section 10.08(a).

"**Register**" shall have the meaning set forth in Section 10.02(b)(iv).

"**Related Parties**" shall mean, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, partners, members, employees, agents and advisors of such Person and such Person's Affiliates.

"**Related Quarterly Reporting Period**" shall mean the most recently completed Quarterly Reporting Period.

"**Release**" shall have the meaning specified in Section 101(22) of the Comprehensive Environmental Response Compensation and Liability Act.

"**Relevant Governmental Body**" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Replacement Term Loans**" shall have the meaning set forth in Section 10.08(a).

"**Required Class Lenders**" shall mean, at any time, Lenders holding more than 50% of the Term Loans (or Term Loan Commitments) of any Class.

"**Required Lenders**" shall mean, at any time, Lenders holding more than 50% of
(a) until the funding of the Initial Term Loans, the Term Loan Commitments then in effect and
(b) thereafter, the aggregate principal amount of all Term Loans outstanding. The outstanding Term Loans and Term Loan Commitments of any Defaulting Lender shall be disregarded in determining the "**Required Lenders**" at any time.

"**Required Number of Independent Directors**" means, with respect to Loyalty Co, two (2) Independent Directors, and, with respect to all other SPV Parties, one (1) Independent Director.

"**Requirement of Law**" shall mean, with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, or requirements of, any Governmental Authority, in each case having the force of law and that are applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"**Reserve Account**" shall have the meaning given such term in the Collateral Agency and Accounts Agreement.

"**Resignation Effective Date**" shall have the meaning given to such term in Section 8.05.

"**Resolution Authority**" shall mean an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"**Responsible Officer**" shall mean an Officer.

"**Restricted Investment**" shall mean an Investment other than a Permitted Investment

"**Restricted Payments**" shall have the meaning set forth in Section 6.01(a).

"**Retained Agreements**" shall mean, at any time, all currently existing co-branding, partnering or similar agreements related to or entered into in connection with the SkyMiles Program and with respect to which the rights therein have not been transferred to

Loyalty Co to the extent permitted under Section 5.16(i), but excluding the Delta Air Line Business Agreements.

"**S&P**" shall mean Standard & Poor's Ratings Services, together with its successors.

"**Sale of a Grantor**" shall mean, with respect to any Collateral, an issuance, sale, lease, conveyance, transfer or other disposition of the Equity Interests of the applicable Grantor that owns such Collateral.

"**Sanctioned Country**" shall mean, at any time, a country, territory or region which is itself the subject or target of any Sanctions, which as of the Closing Date include Crimea, Cuba, Iran, North Korea and Syria.

"**Sanctioned Person**" shall mean, at any time, (a) a Person which is subject or target of any Sanctions or (b) any Person owned or controlled by any such Person or Persons.

"**Sanctions**" shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United States government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

"**Scheduled Principal Amortization Amount**" shall mean, with respect to each Payment Date, the sum of (a) an amount equal to (i) $0 in the case of the Payment Date occurring in January 2021 and the next seven (7) Payment Dates occurring thereafter and
(ii) $150.0 million, in the case of the Initial Amortization Date and each Payment Date occurring thereafter, as each such amount may be adjusted with respect to any prepayments applied to reduce Scheduled Principal Amortization Amounts in accordance with Section 2.12 or Section 2.13 prior to such Payment Date and as may be adjusted in connection with the incurrence of any Incremental Term Loans, Extended Term Loans or Replacement Term Loans *plus* (b) any unpaid Scheduled Principal Amortization Amounts from prior Payment Dates.

"**SEC**" shall mean the United States Securities and Exchange Commission.

"**Secured Parties**" shall mean the Agents and the Lenders.

"**Securities Act**" shall mean the Securities Act of 1933, as amended.

"**Security Agreement**" shall mean that certain Security Agreement, dated as of the Closing Date, among Loyalty Co, Hold Co 3 and the Master Collateral Agent.

"**Senior Secured Amortization Amount**" means, with respect to any Payment Date, the sum of:

(a) the Scheduled Principal Amortization Amount that will be due on such Payment Date for the Term Loans; and

(b) the sum of the "Scheduled Principal Amortization Amounts" (as such term, or such similar or analogous term, is defined in the other applicable Senior Secured Debt Documents) that will be due on such Payment Date for each Series of Senior Secured Debt (other than the Term Loans) (but excluding, for the avoidance of doubt, any balloon or bullet payments of the principal amount thereof at final maturity thereof).

"**Shortfall Period**" shall have the meaning set forth in Section 2.24.

"**SkyMiles Agreements**" shall mean all currently existing, future and successor co-branding, partnering or similar agreements related to or entered into in connection with the SkyMiles Program including each Material SkyMiles Agreement, but excluding (i) agreements used to operate the Delta airline business that, even if used in connection with the SkyMiles Program, would be used to operate the Delta airline business in the absence of a Loyalty Program (it being agreed that the agreements set forth in clause (i) shall not include any credit card co-branding, partnering or similar agreements) ("**Delta Air Line Business Agreements**") and (ii) any Retained Agreements.

"**SkyMiles Customer Data**" shall mean all data owned or purported to be owned, or later developed or acquired and owned or purported to be owned, by Delta or Loyalty Co and used, generated or produced as part of the SkyMiles Program, including all of the following: (a) a list of all members of the SkyMiles Program; and (b) the SkyMiles Member Profile Data for each member of the SkyMiles Program, but excluding Delta Traveler Related Data.

"**SkyMiles Customer Database**" shall have the meaning given to such term in Section 4.03(b).

"**SkyMiles Intellectual Property**" shall mean (a) SkyMiles Customer Data, (b) the proprietary source code set forth on Schedule 1.01(c), (c) the registered trademarks and trademark applications set forth on Schedule 1.01(c), (d) the issued patents and patent applications set forth on Schedule 1.01(c), (e) the registered copyrights set forth on Schedule 1.01(c), and (f) other data, proprietary source code, registered trademarks, issued patents, registered copyrights and applications for the foregoing, in each case, that are owned or purported to be owned by Delta or its Subsidiaries and are used in the SkyMiles Program and which are required to be contributed to Loyalty Co from time to time as set forth in Section 5.06 of this Agreement. For the avoidance of doubt, the SkyMiles Intellectual Property shall exclude all Delta Intellectual Property.

"**SkyMiles Member Profile Data**" shall mean, with respect to each member of the SkyMiles Program, such member's (a) name, mailing address, email address, and phone numbers, (b) communication and promotion opt-ins, (c) total miles balance, (d) third party engagement history, (e) accrual and redemption activity, (f) SkyMiles Program account number, and (g) annual member status (e.g., Medallion, Gold Medallion, etc.); *provided*, that clauses (b)

through (e) shall exclude Delta Traveler Related Data.

"**SkyMiles Program**" shall mean any Loyalty Program which is operated, owned or controlled, directly or indirectly by Loyalty Co, Delta or any of its subsidiaries, or principally associated with Loyalty Co, Delta or any of its subsidiaries, as in effect from time to time, whether under the "SkyMiles" name or otherwise, in each case including any successor program but excluding any Permitted Acquisition Loyalty Program and any Specified Minority Owned Program.

"**SkyMiles Revenues**" shall mean, with respect to any period, the aggregate amount of cash revenues attributable to the SkyMiles Program during such period (including any cash revenue attributable to the Retained Agreements and the Intercompany Agreements).

~~"**SOFR**" shall mean, with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.~~

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"~~**SOFR-Based Rate**" shall mean SOFR, Compounded SOFR or~~**SOFR Loan" means a Loan for which the applicable rate of interest is based upon the Adjusted** Term SOFR.

"**Solvent**" shall mean, for any Person, that (a) the fair market value of its assets (on a going concern basis) exceeds its liabilities, (b) it has and will have sufficient cash flow to pay its debts as they mature in the ordinary course of business and (c) it does not and will not have unreasonably small capital to engage in the business in which it is engaged and proposes to engage.

"**Specified Acquisition Entity**" shall means any entity that is (x) acquired by Delta or any of its Subsidiaries (other than any SPV Party) after the Closing Date (whether such entity becomes wholly or less than 100% owned by Delta or any of its Subsidiaries (other than any SPV Party)) or (y) another commercial airline (including any business lines or divisions thereof) with which Delta or such a Subsidiary of Delta merges or enters into an acquisition transaction.

"**Specified Intellectual Property**" means the Intellectual Property and data listed in any Contribution Agreement as being Specified Intellectual Property.

"**Specified Loyalty Program**" shall have the meaning given to such term in the definition of "Incremental Priority Amount."

"**Specified Minority Owned Program**" means the primary Loyalty Program operated by Latam, AeroMexico, Virgin Atlantic, Air France-KLM, Korean, China Eastern and any other airline (or entity that operates the loyalty program thereof) in which Delta has a Non-Control Investment, in each case only so long as such entity remains a Non-Control Investment of Delta.

"Specified Organization Documents" shall mean (i) the Amended and Restated Memorandum of Association of Loyalty Co, dated the date hereof, (ii) the Amended and Restated Memorandum of Association of HoldCo 3, dated the date hereof, (iii) the Amended and Restated Memorandum of Association of HoldCo 2, dated the date hereof and (iv) the Amended and Restated Memorandum of Association of HoldCo 1, dated the date hereof.

"**SPV Parties**" shall mean Loyalty Co, HoldCo 1, HoldCo 2 and HoldCo 3.

"**SPV Party Change of Control**" shall mean the occurrence of any of the following:

(1) the failure of Delta to directly own 100% of the Equity Interests in HoldCo 1 (excluding any special share(s) issued to Walkers Fiduciary Limited);

(2) the failure of HoldCo 1 to directly own 100% of the Equity Interests in HoldCo 2 (excluding any special share(s) issued to Walkers Fiduciary Limited);

(3) the failure of HoldCo 2 to directly own 100% of the Equity Interests in HoldCo 3 (excluding any special share(s) issued to Walkers Fiduciary Limited); or

(4) the failure of HoldCo 3 to directly own 100% of the Equity Interests in Loyalty Co (excluding any special share(s) issued to Walkers Fiduciary Limited).

"**SPV Provisions**" shall mean the definitions and articles specified in the definition of "Prohibited Resolutions" in the Specified Organization Documents of each SPV Party.

"**Stated Maturity**" shall mean, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

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

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

"**Subsidiary Guarantor**" shall mean, with respect to any Person, any Subsidiary of such Person that is a Guarantor.

"**Supported QFC**" shall have the meaning set forth in Section 10.21.

"**Successor Company**" shall have the meaning set forth in Section 6.10(a).

"**Swap Contract**" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

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

"**Term Lender**" shall mean each Lender having a Term Loan Commitment or, as the case may be, an outstanding Term Loan.

"**Term Loan Commitment**" shall mean the commitment of each Term Lender to make a Class of Term Loans hereunder and, in the case of the Initial Term Loans in an aggregate principal amount equal to the amount set forth under the heading "**Initial Term Loan Commitment**" opposite its name in Annex A hereto or in the Assignment and Acceptance pursuant to which such Lender became a party hereto. The aggregate amount of the Initial Term Loan Commitments is $3.0 billion.

"**Term Loan Maturity Date**" shall mean, (a) with respect to the Initial Term Loans that have not been extended pursuant to Section 2.28, October 20, 2027 and (b) with respect to the Extended Term Loans, the final maturity date therefor as specified in the Extension Offer accepted by the respective Term Loans (as the same may be further extended pursuant to Section 2.28).

"**Term Loans" or "Loans**" shall mean the Initial Term Loans, any Incremental Term Loans, any Extended Term Loans, any Refinanced Term Loans and any Replacement Term Loans, as applicable.

"Term SOFR" means, for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion**).**

"**Term SOFR**~~" shall mean the forward looking~~ **Reference Rate" means the rate per annum determined by the Administrative Agent as the forward-looking** term rate based on SOFR~~ that has been selected or recommended by the Relevant Governmental Body~~.

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

"**Third Party Processor**" shall mean a third party provider or other third party that accesses, collects, stores, transmits, transfers, processes, discloses or uses Personal Data on behalf of a Borrower.

"**Threshold Amount**" shall have the meaning set forth in Section 2.12(b).

"**Title 14**" shall mean Title 14 of the U.S. Code of Federal Regulations, including Part 93, Subparts K and S thereof, as amended from time to time or any successor or recodified regulation.

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

"**Trade Secrets**" shall mean confidential and proprietary information, including trade secrets (as defined under the Uniform Trade Secrets Act or the federal Defend Trade Secrets Act of 2016) and proprietary know-how, which may include all inventions (whether or not patentable), invention disclosures, methods, processes, designs, algorithms, source code, customer lists and data (including SkyMiles Customer Data), databases, compilations, collections of data, practices, processes, specifications, test procedures, flow diagrams, research and development, and formulas.

"**Transaction Documents**" shall mean the Loan Documents, the IP Agreements the Intercompany Agreements, the Delta Intercompany Note, the Deeds of Undertaking and the Specified Organization Documents.

"**Transaction Revenue**" shall mean, without duplication, (a) all cash revenues paid to any Loan Party under the SkyMiles Agreements other than the Intercompany Agreements, (b) all cash revenues paid to Loyalty Co under the Intercompany Agreements and the IP Licenses and (c) all other cash revenues of Loyalty Co (which shall include all cash revenues of the SkyMiles Program). For the avoidance of doubt, Transaction Revenues shall not include (i) payments made by any SPV Party to any other SPV Party, (ii) any Permitted Deposit Amounts and (iii) any taxes paid to Loyalty Co that Loyalty Co collects for, or on behalf of, any Governmental Authority.

"**Transactions**" shall mean the execution, delivery and performance by the Loan Parties of this Agreement and the other Transaction Documents to which they may be a party, the creation of the Liens in the Collateral in favor of the Master Collateral Agent and the Collateral Administrator, in each case for the benefit of the Secured Parties, the borrowing of Term Loans and the use of the proceeds thereof.

"**Treasury Rate**" shall mean with respect to any prepayment date, the yield to maturity as of such prepayment date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to the prepayment date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the prepayment date to the third anniversary of the Closing Date (or if such period is shorter than the shortest period which such yield is so published or otherwise so publicly available, such shortest period).

~~"**U.S. Special Resolution Regimes**" shall have the meaning set forth in Section 10.21.~~

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

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

"**UK Resolution Authority**" shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**Unadjusted Benchmark Replacement**" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**United States Citizen**" shall have the meaning set forth in Section 3.02.

"**Unrestricted Cash**" means cash and Cash Equivalents of Delta that (i) may be classified, in accordance with GAAP, as "unrestricted" on the consolidated balance sheets of Delta or (ii) may be classified, in accordance with GAAP, as "restricted" on the consolidated balance sheets of Delta solely in favor of the Senior Secured Parties.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial

Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**U.S. Special Resolution Regimes**" shall have the meaning set forth in Section 10.21.

"**Voting Stock**" of any specified person as of any date shall mean the capital stock of such person that is at the time entitled to vote generally in the election or appointment of the board of directors of such person.

"**Weighted Average Life to Maturity**" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing:

1. the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

2. the then outstanding principal amount of such Indebtedness.

"**Withholding Agent**" shall mean each Loan Party and the Administrative Agent.

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

Section 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, extended, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (b) any reference herein

to any Person shall be construed to include such Person's permitted successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless expressly provided otherwise, (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (f) "knowledge" or "aware" or words of similar import shall mean, when used in reference to the Borrowers or the Guarantors, the actual knowledge of any Responsible Officer, (g) the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including" and (h) all references to "in the ordinary course of business" of the Borrowers or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Borrowers or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Borrowers and their respective Subsidiaries in the United States or any other jurisdiction in which the Borrowers or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Borrowers or such Subsidiary, as applicable, or any similarly situated businesses in the United States or any other jurisdiction in which the Borrowers or any Subsidiary does business, as applicable. In the case of any cure or waiver under the Loan Documents, the Borrowers, the applicable Loan Parties, the Lenders and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default cured or waived pursuant to the Loan Documents shall be deemed to be cured and not continuing, it being understood that no such cure or waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

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

Section 1.04 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.05 Rounding. Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

Section 1.06 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to organizational or constitutional documents, agreements (including the Loan Documents), and other contractual requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, restructurings, replacements, refinancings, renewals, or increases (in each case, where applicable, whether pursuant to one or more agreements or with different lenders or agents and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for other Indebtedness), but only to the extent that such amendments, restatements, amendment, and restatements, extensions, supplements, modifications, replacements, restructurings, refinancings, renewals, or increases are not prohibited by any Loan Document; (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirement of Law; and (c) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

Section 1.07 Exchange Rate.

(a) Any amount specified in this Agreement (other than in Section 2) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the rate of exchange quoted by the Reuters World Currency Page for the applicable currency at 11:00 a.m. (London time) on such day (or, in the event such rate does not appear on any Reuters World Currency Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and Loyalty Co, or, in the absence of such

agreement, by reference to such publicly available service for displaying exchange rates as the Administrative Agent selects in its reasonable discretion).

(b) [Reserved].

(c) Notwithstanding the foregoing, for purposes of determining compliance with Section 6 or the definitions of "Permitted Dispositions" "Permitted Investments" and "Permitted Liens" (and, in each case, other definitions used therein) with respect to the amount of any Indebtedness, Lien, disposition, Investment, Restricted Payment or other applicable transaction in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Lien is incurred or such disposition, Investment, Restricted Payment or other applicable transaction is made (so long as such Indebtedness, Lien, disposition, Investment, Restricted Payment or other applicable transaction at the time incurred or made was permitted hereunder). No Default or Event of Default shall arise as a result of any limitation or threshold set forth in Dollars in Section 7 being exceeded solely as a result of changes in currency exchange rates from those rates applicable on the last day of the fiscal quarter immediately preceding the fiscal quarter in which such determination occurs or in respect of which such determination is being made.

(d) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with Loyalty Co's prior written consent to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

Section 1.08 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

Section 1.09 Timing of Payment or Performance. Except as otherwise expressly provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 1.10 Certifications. All certifications to be made hereunder by a Responsible Officer or representative of a Loan Party shall be made by such a Person in his or her capacity solely as a Responsible Officer or a representative of such Loan Party, on such Loan Party's behalf and not in such Person's individual capacity.

Section 1.11 **Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to ABR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether**

the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 2.

AMOUNT AND TERMS OF CREDIT

Section 2.01 Commitments of the Lenders; Term Loans.

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

(b) *Type of Borrowing*. Each Lender at its option may make any Term Loan by causing any domestic or foreign branch, or Affiliate of, such Lender to make such Term Loan; *provided* that any exercise of such option shall not affect the joint and several obligation of the Borrowers to repay such Term Loan in accordance with the terms of this Agreement.

Section 2.02 [Reserved].

Section 2.03 Requests for Loans. Unless otherwise agreed to by the Administrative Agent, to request the Initial Term Loans on the Closing Date, the Borrowers shall notify the Administrative Agent of such request by telephone not later than 2:00 p.m., one (1) Business Day before the Closing Date. Such telephonic Loan request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Loan Request signed by the Borrowers. Such telephonic and written request shall specify the aggregate amount of such Initial Term Loans.

Section 2.04 Funding of Term Loans. Each Initial Lender shall make each Initial Term Loan to be made by it hereunder on the Closing Date by wire transfer of immediately available funds by 12:00 p.m., or such earlier time as may be reasonably practicable, to the account of the Administrative Agent most recently designated by the Administrative Agent for such purpose by notice to the Lenders. Upon satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent will make the proceeds of the Initial Term Loans available to Loyalty Co, on behalf of the Borrowers, by promptly crediting such proceeds so received, in like funds, to the Collection Account.

Section 2.05 Co-Borrowers.

(a) Joint and Several Liability. All Obligations of the Borrowers under this Agreement and the other Loan Documents shall be joint and several Obligations of the Borrowers, each as principal. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the Obligations of each Borrower hereunder, solely to the extent that such Borrower did not receive proceeds of Term Loans from any borrowing hereunder, shall be limited to a maximum aggregate amount equal to the largest amount that would not render its Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the Obligations of such Borrower (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of intercompany Indebtedness to any other Loan Party or Affiliates of any other Loan Party to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Loan Party hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Borrower pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Borrower and other Affiliates of any Loan Party of Obligations arising under guarantees by such parties.

(b) Subrogation. Until the Obligations shall have been paid in full in cash, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against the other Borrowers or

any other guarantor of the Obligations. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against the other Borrower, any collateral or security or any such other Loan Party, shall be junior and subordinate to any rights the Agents or the Lenders may have against the other Borrower, any such collateral or security, and any such other Loan Party.

(c) Obligations Absolute. Each Borrower hereby waives, for the benefit of the Secured Parties: (1) any right to require any Secured Parties, as a condition of payment or performance by such Borrower, to (i) proceed against any other Borrower or any other Person, (ii) proceed against or exhaust any security held from any other Borrower, any Guarantor or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Secured Party in favor of any other Borrower or any other Person, or (iv) pursue any other remedy in the power of any Secured Party whatsoever; (2) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any other Borrower including any defense based on or arising out of the lack of validity or the unenforceability of the Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of any other Borrower from any cause other than payment in full of the Obligations; (3) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (4) any defense based upon any Secured Party's errors or omissions in the administration of the Obligations, except behavior which amounts to bad faith, gross negligence or willful misconduct; (5) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Borrower's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Borrower's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments, recharacterization and counterclaims, and (iv) promptness, diligence and any requirement that any Secured Party protect, secure, perfect or insure any security interest or lien or any property subject thereto; (6) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Obligations or any agreement related thereto, notices of any extension of credit to such Borrower and any right to consent to any thereof; (7) any defense based upon any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of any of the Loan Documents and (8) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

The obligations of the Borrowers hereunder shall not, to the extent permitted by applicable law, be affected by (i) the failure of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or a Lender to assert any claim or demand or to enforce any right or remedy against any other Loan Party under the provisions of this Agreement or any other Loan Document or otherwise; (ii) any extension or renewal of any provision hereof or thereof; (iii) any rescission, waiver, compromise, acceleration, amendment or modification of

any of the terms or provisions of any of the Loan Documents; (iv) the release, exchange, waiver or foreclosure of any security held by the Master Collateral Agent or the Collateral Administrator for the Obligations or any of them; (v) the failure of the Administrative Agent or a Lender to exercise any right or remedy against any other Loan Party; or (vi) the release or substitution of any Collateral or any other Loan Party.

To the extent permitted by applicable law, each Borrower hereby waives any defense that it might have based on a failure to remain informed of the financial condition of the other Borrower and of any other Loan Party and any circumstances affecting the ability of the Borrowers to perform under this Agreement.

Each Borrower further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, any Lender or any other Secured Party upon the bankruptcy or reorganization of the other Borrower or any Guarantor, or otherwise.

Section 2.06 [Reserved].

Section 2.07 Interest on Term Loans.

(a) Subject to the provisions of Section 2.08 ~~and~~**,** 2.09 **and 2.20**, each Term Loan shall bear interest (computed using the Day Count Fraction) at a rate per annum equal, during each Interest Period applicable thereto, to the ~~LIBO Rate~~**Adjusted Term SOFR** for such Interest Period plus the Applicable Margin.

(b) Accrued interest on all Term Loans shall be payable in arrears on each Payment Date, on the Termination Date and thereafter on written demand and upon any repayment or prepayment thereof (on the amount repaid or prepaid).

Section 2.08 Default Interest. If any Borrower or any Guarantor, as the case may be, shall default in the payment of the principal of or interest on any Term Loan or in the payment of any fee becoming due hereunder, whether at stated maturity, by acceleration or otherwise, the Borrowers or such Guarantor, as the case may be, shall on written demand of the Administrative Agent (which written demand shall be given at the request of the Required Lenders) from time to time pay interest, to the extent permitted by law, on all overdue amounts up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum (computed using the Day Count Fraction) equal to (a) with respect to the principal amount of any Term Loan, the rate then applicable for such Borrowings plus 2.0%, and (b) in the case of interest and fees, the Alternate Base Rate plus 2.0%.

Section 2.09 Alternate Rate of Interest

Subject to Section 2.20, in the event, and on each occasion, that on the date that is two (2) Business Days prior to the commencement of any Interest Period for a SOFR

Loan, the Administrative Agent shall have reasonably determined (which determination shall be conclusive and binding upon the Borrowers absent manifest error) that reasonable means do not exist for ascertaining the applicable Adjusted Term SOFR, the Administrative Agent shall, as soon as practicable thereafter, give written or facsimile notice of such determination to the Borrowers and the Lenders and, until the circumstances giving rise to such notice no longer exist, (i) the Borrowers may revoke any request for a Borrowing of SOFR Loans and, failing that, any request by a Borrower for a Borrowing of SOFR Loans hereunder (including pursuant to a refinancing with SOFR Loans and including any request to continue, or to convert to SOFR Loans) shall be deemed a request for a Borrowing of ABR Loans and (ii) any outstanding SOFR Loans hereunder shall be converted to ABR Loans at the end of the then current Interest Period.

~~(a) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrowers may amend this Agreement to replace LIBO Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrowers so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders; *provided* that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBO Rate with a Benchmark Replacement pursuant to this Section 2.09 will occur prior to the applicable Benchmark Transition Start Date.~~

~~(b) In connection with the implementation of a Benchmark Replacement, the Administrative Agent, with the written consent of the Borrowers, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.~~

~~(c) The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Required Lenders, as applicable, in each case with the consent of the Borrowers pursuant to this Section 2.09, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any~~

~~decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.09.~~

~~(d) Upon receipt by the Borrowers of notice of the commencement of a Benchmark Unavailability Period, (a) the Borrowers may revoke any request for a Borrowing of Eurodollar Term Loans to be made during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of Term Loans bearing interest at a rate determined by reference to the Alternate Base Rate and (b) all calculations of interest by reference to LIBO Rate hereunder shall instead be made by reference to the Alternate Base Rate.~~

Section 2.10 Repayment of Term Loans; Evidence of Debt.

(a) The Term Loans, together with all other Obligations (other than contingent obligations not due and owing) shall, in any event, be paid in full in cash no later than the Termination Date.

(b) Subject to Section 7.01, on each Payment Date on which an Event of Default is not continuing, Available Funds in the Payment Account as of such Payment Date (based upon instructions furnished to it pursuant to Section 2.9 of the Collateral Agency and Accounts Agreement) shall be distributed by the Master Collateral Agent in the following order of priority:

(i) *first*, (x) ratably to (i) the Depositary and the Master Collateral Agent, the amount of Fees, costs, expenses, reimbursements and indemnification amounts due and payable to such Persons pursuant to the terms of the Loan Documents and (ii) the Collateral Administrator, the amount of fees, costs, expenses, reimbursements and indemnification amounts due and payable to the Collateral Administrator pursuant to the terms of the Loan Documents, in an amount not to exceed $200,000 in the aggregate per annum and *then* (y) ratably to the Administrative Agent, the amount of Fees, costs, expenses, reimbursements and indemnification amounts due and payable to the Administrative Agent pursuant to the terms of the Loan Documents in an amount not to exceed $200,000 in the aggregate per Payment Date and *then* (z) ratably, the Term Loans' Pro Rata Share of the amount of fees, expenses and other amounts due and owing to any Independent Director of any SPV Party, in an amount not to exceed $200,000 in the aggregate per Payment Date, in the case of each of clause (x), (y) and (z), to the extent not otherwise paid or provided for or to the extent such parties have agreed with the Borrowers for payment at a later date;

(ii) *second*, to the Administrative Agent, on behalf of the Lenders, an amount equal to the Interest Distribution Amount with respect to such Payment

Date *minus* the amount of interest paid by the Borrowers on the Term Loans after the immediately preceding Payment Date and prior to such Payment Date;

(iii) *third*, to the Administrative Agent, on behalf of the Lenders, in an amount equal to the Scheduled Principal Amortization Amount due and payable on such Payment Date;

(iv) *fourth*, to the Reserve Account if the amount on deposit in the Reserve Account is less than the Aggregate Reserve Account Required Balance, the Term Loans' Pro Rata Share of such shortfall;

(v) *fifth*, to the extent not already paid, to the Administrative Agent, on behalf of the Lenders, the amount of any outstanding mandatory prepayments required pursuant to Section 2.12 (including any related Premium due with respect thereto) to be applied in accordance with the terms thereof;

(vi) *sixth*, after the fifth anniversary of the Closing Date, any "AHYDO catchup payments" on the Term Loans;

(vii) *seventh*, without duplication, any Premium due and unpaid as of such Payment Date;

(viii) *eighth*, to pay (x) ratably to the Collateral Administrator, the Depositary and the Master Collateral Agent, and *then* (y) to the Administrative Agent, and *then* (z) any other Person (other than Delta and any of its Subsidiaries (*provided* that any payment to the IP Manager pursuant to the IP Management Agreement shall be permitted pursuant to this clause (viii))), including any Independent Director of any SPV Party and the IP Manager, any additional Obligations due and payable to such Person on such Payment Date, in the case of clause (x) and (y), to the extent not otherwise paid or provided for or to the extent such parties have agreed with the Borrowers for payment at a later date;

(ix) *ninth*, if an Early Amortization Period was in effect as of the last day of the Related Quarterly Reporting Period, then, to the Administrative Agent on behalf of the Lenders, as a reduction in the outstanding principal balance of the Term Loans, an amount equal to the Early Amortization Payment for such Payment Date;

(x) *tenth*, to the extent any amounts are due and owing under any other Priority Lien Debt, to the Master Collateral Agent for further distribution to the appropriate Person pursuant to the Collateral Agency and Accounts Agreement; and

(xi) *eleventh*, all remaining amounts shall be released to or at the direction of Loyalty Co.

For the avoidance of doubt, to the extent Available Funds with respect to any Payment Date are insufficient to pay amounts due hereunder to the Agents, Lenders or any other Person on such Payment Date, the Borrowers and, to the extent provided in Section 9 hereof, the Guarantors, are fully obligated to timely pay such amounts to the Agents, Lenders or other Persons.

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

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Term Loan made hereunder, the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof, which in all circumstances shall be consistent with the Register maintained pursuant to Section 10.02(c). The Borrowers shall have the right, upon reasonable notice, to request information regarding the accounts referred to in the preceding sentence.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section 2.10 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Term Loans in accordance with the terms of this Agreement.

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

Section 2.11 [Reserved].

Section 2.12 Mandatory Prepayment of Term Loans.

(a) Within five (5) Business Days of Loyalty Co or any other SPV Party receiving any Net Proceeds from the issuance or incurrence of any Indebtedness of Loyalty Co or any other SPV Party (other than with respect to any Indebtedness permitted to be incurred

pursuant to Section 6.02), the Borrowers shall prepay the Term Loans in an aggregate amount equal to the Term Loans' Pro Rata Share of such Net Proceeds.

(b) No later than ten (10) Business Days following the date of receipt by Delta or any of its Subsidiaries of any Net Proceeds in respect of any Recovery Event (in each case, in respect of Collateral) which Net Proceeds, together with the aggregate amount of Net Proceeds previously received from Recovery Events since the Closing Date, are in excess of $10.0 million (the "**Threshold Amount**", and all such Net Proceeds in excess of the Threshold Amount, "**Excess Proceeds**"), the Borrowers shall (i) give written notice to the Administrative Agent of such Recovery Event and (ii) offer to prepay the Term Loans in an aggregate amount equal to the Term Loans' Pro Rata Share of such Excess Proceeds (other than any such Excess Proceeds withheld for reinvestment pursuant to the proviso in this clause (b)) no later than the tenth (10th) Business Day following the date of receipt of such Net Proceeds; *provided* that (1) so long as no Event of Default shall have occurred and be continuing at the time of receipt of such Excess Proceeds, the Borrowers shall have the option to (x) invest such Excess Proceeds within 365 days of receipt thereof in Qualified Replacement Assets or (y) repair, replace or restore the assets which are the subject of such Recovery Event; and (2) within ten (10) Business Days of the end of such 365 day period (or earlier if the Borrowers so elect), the Borrowers shall offer to prepay the Term Loans in an aggregate amount equal to the Term Loans' Pro Rata Share of the aggregate amount of such Excess Proceeds not used in accordance with the preceding subclause (1). Any Lender may elect, by notice to the Administrative Agent at least two Business Days prior to the prepayment date, to decline all (but not less than all) of the prepayment of any Class of its Term Loans pursuant to this Section 2.12(b), in which case the aggregate amount of the prepayment that would have been applied to prepay such Term Loans but was so declined shall be retained by Loyalty Co.

(c) No later than ten (10) Business Days following the date of receipt by Delta or any of its Subsidiaries of any Net Proceeds in respect of (x) any Collateral Sale of SkyMiles Intellectual Property (other than with respect to any Permitted Pre-paid Miles Purchase or Permitted Disposition) or (y) any Collateral Sale which Net Proceeds, together with the aggregate amount of Net Proceeds previously received from Collateral Sales during the fiscal year in which such date occurs, are in excess of $10.0 million (the "**CS Threshold Amount**", and all such Net Proceeds in excess of the CS Threshold Amount together with all Net Proceeds of any Collateral Sale of SkyMiles Intellectual Property, "**CS Excess Proceeds**"), the Borrowers shall offer to prepay the Term Loans in an aggregate amount equal to Term Loans' Pro Rata Share of such CS Excess Proceeds no later than the tenth (10th) Business Day following the date of receipt of such CS Excess Proceeds. Any Lender may elect, by notice to the Administrative Agent at least two Business Days prior to the prepayment date, to decline all (but not less than all) of the prepayment of any Class of its Term Loans pursuant to this Section 2.12(c), in which case the aggregate amount of the prepayment that would have been applied to prepay such Term Loans but was so declined shall be retained by Loyalty Co. Notwithstanding anything herein to the contrary, no sales of Collateral shall be permitted during the continuance of any Early

Amortization Period or Event of Default or if an Early Amortization Event or Event of Default would result therefrom.

(d) Within ten (10) Business Days of Delta or any of its Subsidiaries receiving any Net Proceeds as a result of any Contingent Payment Event which Net Proceeds, together with the aggregate amount of Net Proceeds previously received from Contingent Payment Events since the Closing Date, are in excess of $50.0 million, the Borrowers shall offer to prepay the Term Loans in an aggregate amount equal to the Term Loans' Pro Rata Share of such excess Net Proceeds. Any Lender may elect, by notice to the Administrative Agent at least two Business Days prior to the prepayment date, to decline all (but not less than all) of the prepayment of any Class of its Term Loans pursuant to this Section 2.12(d), in which case the aggregate amount of the prepayment that would have been applied to prepay such Term Loans but was so declined shall be retained by Loyalty Co.

(e) Within ten (10) Business Days of Delta or any of its Subsidiaries receiving any Net Proceeds of a Pre-paid Miles Purchase which Net Proceeds, together with the aggregate amount of Net Proceeds previously received from Pre-paid Miles Purchases since the Closing Date, are in excess of $500.0 million, the Borrowers shall prepay the Term Loans in an aggregate amount equal to the Term Loans' Pro Rata Share of such excess Net Proceeds; *provided* that the Borrowers shall not be required to make such prepayment so long as the aggregate amount of Net Proceeds received from Pre-Paid Miles Purchases since the Closing Date is less than $505.0 million.

(f) Within five (5) Business Days following the occurrence of a Parent Change of Control Triggering Event, the Borrowers shall offer to prepay all of each Lender's Term Loans at a purchase price in cash equal to 100% of the aggregate principal amount of the Term Loans prepaid. The repayment date shall be no later than thirty (30) days from the date such offer is made. Any Lender may elect, by notice to the Administrative Agent at least two (2) Business Days prior to the prepayment date, to decline all (but not less than all) of the prepayment of any Class of its Term Loans pursuant to this Section 2.12(f).

(g) Amounts required to be applied to the prepayment of Term Loans pursuant to Section 2.12(a) through (f) shall be applied to prepay on a pro rata basis the remaining scheduled amortization payments of the Term Loans. To the extent that such amounts are not applied on a Payment Date pursuant to Section 2.10(b), the Borrowers shall provide the Collateral Administrator with payment instructions setting forth the applicable amounts and payees in respect thereof. All prepayments under Section 2.12 shall be accompanied (inclusive of all Premiums owed on account of any such prepayment) by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees (if any) included in, and any losses, costs and expenses, as more fully described in Section 2.15. Term Loans prepaid pursuant to Section 2.12 may not be reborrowed. To the extent that any amounts required to be applied as a prepayment pursuant to this Section 2.12 are on deposit in the Collection Account on any Payment Date on which an Event of Default is not continuing, the portion of such amount allocated to the Term Loans pursuant to the Collateral Agency and

Accounts Agreement shall be applied as Available Funds on such Payment Date pursuant to Section 2.10(b).

Section 2.13 Optional Prepayment of Term Loans.

(a) The Borrowers shall have the right, from time to time, to prepay any Term Loans, in whole or in part, upon (i) telephonic notice (followed promptly by written or facsimile notice or notice by electronic mail) to the Administrative Agent or (ii) written or facsimile notice (or notice by electronic mail) to the Administrative Agent, in either case received by 1:00 p.m., on the date that is three (3) Business Days prior to the proposed date of prepayment; *provided* that each such partial prepayment, if any, shall be in an amount not less than $1.0 million and in integral multiples of $1.0 million.

(b) Any prepayments under Section 2.13 shall be applied to prepay on a pro rata basis the remaining scheduled amortization payments of the Term Loans. To the extent that such amounts are not applied on a Payment Date pursuant to Section 2.10(b), the Borrowers shall provide the Collateral Administrator with payment instructions setting forth the applicable amounts and payees in respect thereof. All prepayments under Section 2.13 shall be accompanied by accrued but unpaid interest on the principal amount being prepaid to (but not including) the date of prepayment, plus any Fees (if any), Premiums (if any), and any losses, costs and expenses, as more fully described in Sections 2.15 hereof. Term Loans prepaid pursuant to Section 2.13 may not be reborrowed.

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

(d) [Reserved].

Section 2.14 Increased Costs.

(a) If any Change in Law shall:

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

(ii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or ~~Eurodollar Term~~**SOFR** Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting into, continuing or maintaining any ~~Eurodollar Term~~**SOFR** Loan (or of maintaining its obligation to make any such Term Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder with respect to any ~~Eurodollar Term~~**SOFR** Loan (whether of principal, interest or otherwise), then, upon the request of such Lender, the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender reasonably determines in good faith that any Change in Law affecting such Lender or such Lender's holding company regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the ~~Eurodollar Term~~**SOFR** Loan made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender such additional amount or amounts, in each case as documented by such Lender to the Borrowers as will compensate such Lender or such Lender's holding company for any such reduction suffered.

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

Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days from receipt of such notice.

(d) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.14 and the basis for calculating such amount or amounts shall be delivered to the Borrowers and shall be *prima facie* evidence of the amount due. The Borrowers shall pay such Lender the amount due within fifteen (15) days after receipt of such certificate.

(e) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.14 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrowers shall not be required to compensate a Lender pursuant to this Section 2.14 for any increased costs or reductions incurred more than one hundred eighty (180) days prior to the date that such Lender notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the one hundred eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section 2.14 shall be available to each Lender regardless of any possible contention as to the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed.

(f) The Borrowers shall not be required to make payments under this Section 2.14 to any Lender if (A) a claim hereunder arises solely through circumstances peculiar to such Lender and which do not affect commercial banks in the jurisdiction of organization of such Lender generally, (B) the claim arises out of a voluntary relocation by such Lender of its applicable lending office (it being understood that any such relocation effected pursuant to Section 2.18 is not "voluntary"), or (C) such Lender is not seeking similar compensation for such costs to which it is entitled from its borrowers generally in commercial loans of a similar size.

(g) Notwithstanding anything herein to the contrary, regulations, requests, rules, guidelines or directives implemented after the Closing Date pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act shall be deemed to be a Change in Law; *provided* that any determination by a Lender of amounts owed pursuant to this Section 2.14 to such Lender due to any such Change in Law shall be made in good faith in a manner generally consistent with such Lender's standard practice.

Section 2.15 Break Funding Payments. In the event of (a) the payment of any principal of any ~~Eurodollar Term~~**SOFR** Loan other than on a Payment Date (including as a result of the occurrence and continuance of an Event of Default), (b) the failure to borrow or prepay any ~~Eurodollar Term~~**SOFR** Loan on the date specified in any notice delivered pursuant hereto, or (c) the assignment of any ~~Eurodollar Term~~**SOFR** Loan other than on a Payment Date as a result of a request by the Borrowers pursuant to Section 2.18 or Section 10.08(d), then, in any such event, at the request of such Lender, the Borrowers shall compensate such Lender for the loss, cost and

expense sustained by such Lender attributable to such event; *provided* that in no case shall this Section 2.15 apply to any payment pursuant to Section 2.10(b). Such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined in good faith by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Term Loan had such event not occurred, at the applicable rate of interest for such Term Loan (excluding, however the Applicable Margin included therein, if any), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, for the period that would have been the Interest Period for such Term Loan), over (ii) the amount of interest (as reasonably determined by such Lender) which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the ~~eurodollar~~**applicable** market. A certificate of any Lender setting forth any amount or amounts (and the basis for requesting such amount or amounts) that such Lender is entitled to receive pursuant to this Section 2.15 shall be delivered to the Borrowers and shall be *prima facie* evidence of the amount due. The Borrowers shall pay such Lender the amount due within fifteen (15) days after receipt of such certificate.

Section 2.16 Taxes.

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

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

(c) Without duplication of amounts payable pursuant to Section 2.16(a) or 2.16(b), the Borrowers shall, jointly and severally, indemnify each Agent and each Lender, within thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by or on behalf of or withheld or deducted from payments owing to such Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of any Loan Party hereunder or under any other Loan Document

(including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. After an Agent or a Lender, as the case may be, learns of the imposition of Indemnified Taxes or Other Taxes, such party will act in good faith to notify the Borrowers promptly of it obligation thereunder. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender, by the Administrative Agent on its own behalf or on behalf of a Lender, or by the Collateral Administrator or the Master Collateral Agent on its own behalf, shall be conclusive absent manifest error.

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

(e) Each Lender shall, within ten (10) days after written demand therefor, indemnify the Administrative Agent, the Collateral Administrator and the Master Collateral Agent (to the extent the Administrative Agent, the Collateral Administrator or the Master Collateral Agent has not been reimbursed by the Borrowers) for the full amount of any Taxes imposed by any Governmental Authority that are attributable to such Lender and that are payable or paid by the Administrative Agent, the Collateral Administrator or the Master Collateral Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent, the Collateral Administrator or the Master Collateral Agent, respectively in good faith. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent, the Collateral Administrator or the Master Collateral Agent, as applicable, shall be conclusive absent manifest error.

(f) Any Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any of the Borrowers is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrowers (with a copy to the Administrative Agent), at the time or times prescribed by applicable law and as reasonably requested by the Borrowers, such properly completed and executed documentation prescribed by applicable law or requested by the Borrowers as will permit such payments to be made without withholding or at a reduced rate; *provided* that such Lender shall not be required to deliver any documentation pursuant to this Section 2.16(f) that such Lender is not legally able to deliver.

(g) (1) Without limiting the generality of the foregoing, each Lender that is not a "United States person" (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter when the

previously delivered certificates and/or forms expire, or upon request of the Borrowers or the Administrative Agent) whichever of the following is applicable:

(i) two (2) properly completed and duly executed originals of the applicable Internal Revenue Service Form W-8BEN or W-8BEN-E (or any successor form), claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) two (2) properly completed and duly executed originals of Internal Revenue Service Form W-8ECI (or any successor form),

(iii) two (2) properly completed and duly executed originals of Internal Revenue Service Form W-8IMY (or any successor form), accompanied by Internal Revenue Service Form W-8ECI (or any successor form), the applicable Internal Revenue Service Form W-8BEN or W-8BEN-E (or any successor form), Internal Revenue Service Form W-9 (or any successor form), and/or other certification documents from each beneficial owner, as applicable,

(iv) in the case of a Foreign Lender claiming the benefits of exemption for portfolio interest under Section 881(c) of the Code (the "**Portfolio Interest Exemption**"), (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrowers within the meaning of Section 881(c)(3)(B) of the Code, (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code or (D) conducting a trade or business in the United States with which the relevant interest payments are effectively connected (such certificate, a "**Certificate Re: Non-Bank Status**"), or if such Foreign Lender is an entity treated as a partnership, an Internal Revenue Service Form W-8IMY (or any successor form), together with a Certificate Re: Non-Bank Status on behalf of any beneficial owners claiming the Portfolio Interest Exemption, and (y) two (2) properly completed and duly executed originals of the applicable Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E (or any successor form), or in the case of a Foreign Lender that is treated as a partnership, two (2) properly completed and duly executed originals of Internal Revenue Service Form W-8IMY (or any successor form), together with the appropriate Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E (or any successor form) on behalf of each beneficial owner claiming the Portfolio Interest Exemption, or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax and reasonably requested by the Borrowers or the Administrative Agent to permit the Borrowers to determine the withholding or required deduction to be made.

(h) Any Lender that is a "United States person" (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Administrative Agent and the Borrowers, on or prior to the date on which such Lender becomes a party to this Agreement (and from time to time thereafter when the previously delivered certificates and/or forms expire, or upon request of the Borrowers or the Administrative Agent), two (2) copies of Internal Revenue Service Form W-9 (or any successor form), properly completed and duly executed by such Lender, certifying that such Lender is entitled to an exemption from United States backup withholding.

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

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

(k) Each of the Administrative Agent and the Collateral Administrator shall provide the Borrowers with two (2) properly completed and duly executed originals of, if it is a "United States person" (as defined in Section 7701(a)(30) of the Code), Internal Revenue Service Form W-9 certifying that it is exempt from U.S. federal backup withholding, and, if it is not a United States person, (1) Internal Revenue Service Form W-8ECI with respect to payments to be received by it as a beneficial owner and (2) Internal Revenue Service Form W-8IMY (together with required accompanying documentation) with respect to payments to be received by it on behalf of the Lenders, and shall update such forms periodically upon the reasonable request of the Borrowers.

Section 2.17 Payments Generally; Pro Rata Treatment.

(a) The Borrowers shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.14 or 2.15, or otherwise) prior to 3:00 p.m., on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the reasonable discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, NY 10017, pursuant to wire instructions to be provided by the Administrative Agent, except that payments pursuant to Sections 2.14, 2.15 and 10.04 shall be made directly by the Borrowers to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. All payments hereunder shall be made in U.S. Dollars.

(b) [Reserved].

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

(d) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04, 8.04, 8.07 or 10.04(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(e) Pro Rata Treatment.

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

(ii) Each payment (including each prepayment) by the Borrowers on account of principal of and interest on the Term Loans shall be made to the applicable Class or Classes of Term Loans pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Lenders.

Section 2.18 Mitigation Obligations; Replacement of Lenders.

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

(b) If, after the date hereof, any Lender requests compensation under Section 2.14 or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender becomes a Defaulting Lender, Non-Extending Lender or Non-Consenting Lender then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, (i) prepay such Lender's outstanding Term Loans (on a non-pro rata basis), or (ii) require such Lender to assign, without recourse (in accordance with and subject to the restrictions contained in Section 10.02), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), in any case as of a Business Day specified in such notice from the Borrowers; *provided* that (i) such terminated or assigning Lender shall have received payment of an amount equal to the outstanding principal of its Term Loans, accrued interest thereon, accrued fees and all other amounts due, owing and payable to it hereunder at the time of such termination or assignment, from the assignee (to the extent of such outstanding principal and accrued interest and fees in the case of an assignment) or the Borrowers (in the case of all other amounts) and (ii) in the case of an assignment due to payments required to be

made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments.

Section 2.19 Certain Fees. The Borrowers shall, jointly and severally, pay (i) to the Administrative Agent and the Lead Arrangers, the fees to which each is respectively entitled as set forth in the Fee Letter, among the Lead Arrangers and the Borrowers, and the Administrative Agent Fee Letter, among the Administrative Agent and the Borrowers, each dated as of September 14, 2020 (together, the "**Fee Letter**"), and (ii) to the Collateral Administrator and the Master Collateral Agent the fees set forth in the Collateral Administrator and Master Collateral Agent Fee Letter, dated as of the date hereof (the "**Collateral Administrator and Master Collateral Agent Fee Letter**"), among the Collateral Administrator, the Master Collateral Agent and the Borrowers dated as of the date hereof, in each case at the times set forth therein. Other than the amounts to be paid on the Closing Date, all amounts due and owing pursuant to the Fee Letter shall be subject to the payment priorities set forth in Section 2.10(b).

Section 2.20 ~~[Reserved]~~**Benchmark Replacement Setting**.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event**, then (A) if a Benchmark Replacement is** determined in accordance with clause (a) of the definition of "Benchmark Replacement" **for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time)** on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all **affected** Lenders and the Borrowers so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders**.**

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement **or any other Loan Document.**

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) the

implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrowers of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.20(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or**, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.20**, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action **or any selection**, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party **to this Agreement or any other Loan Document**, except, in each case, as expressly required pursuant to this Section **2.20.**

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion **or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.**

Section 2.21 Premium. Upon the occurrence of an Applicable Trigger Event, the Borrowers agree to pay to the Administrative Agent for the benefit of each Lender that holds an applicable Term Loan:

(a) If such Applicable Trigger Event occurs prior to the 3rd anniversary of the Closing Date, the Make-Whole Amount.

(b) If such Applicable Trigger Event occurs on or after the 3rd anniversary of the Closing Date, but prior to the 4th anniversary of the Closing Date, 4.0% of the amount prepaid or repaid (or deemed prepaid or repaid).

(c) If such Applicable Trigger Event occurs on or after the 4th anniversary of the Closing Date, but prior to the 5th anniversary of the Closing Date, 2.0% of the amount prepaid or repaid (or deemed prepaid or repaid).

(d) If such Applicable Trigger Event occurs on or after the 5th anniversary of the Closing Date, 0.0% of the amount prepaid or repaid (or deemed prepaid or repaid).

Any amounts payable in accordance with this Section 2.21 shall be presumed to be equal to the liquidated damages sustained by the Lenders as the result of the occurrence of the Applicable Trigger Event, and the Borrowers agree that it is reasonable under the circumstances currently existing. The Loan Parties expressly agree that (i) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (ii) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made, (iii) there has been a course of conduct between Lenders and the Borrowers giving specific consideration in the transaction for such agreement to pay the premium, (iv) the Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this Section 2.21, Section 2.12 and Section 2.13, (v) the agreement to pay the premium is a material inducement to the Lenders to make the Term Loans, and (vi) the premium represents a good faith, reasonable estimate and calculation of the lost profits or damages of the Lenders and that it would be impractical and extremely difficult to ascertain the actual amount of damages to the Lenders or profits lost by the Lenders as a result of such Applicable Trigger Event.

THE PREMIUM IS DEEMED TO CONSTITUTE LIQUIDATED DAMAGES, AND THE PARTIES HERETO (OTHER THAN THE COLLATERAL ADMINISTRATOR) EACH ACKNOWLEDGE AND AGREE THAT SUCH DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT THE SETTLEMENT AMOUNT IS INTENDED TO BE A REASONABLE APPROXIMATION OF THE AMOUNT OF SUCH DAMAGES AND NOT A PENALTY.

Section 2.22 Nature of Fees. Except as otherwise specified in the Fee Letter or the Collateral Administrator and Master Collateral Agent Fee Letter, as applicable, all Fees shall be paid on the dates due, in immediately available funds, (a) to the Administrative Agent, as provided herein and in the Fee Letter or (b) the Collateral Administrator or Master Collateral Agent, as applicable, as provided in the Collateral Administrator and Master Collateral Agent Fee Letter, as applicable. Once paid, none of the Fees shall be refundable under any circumstances.

Section 2.23 Right of Set-Off. Upon the occurrence and during the continuance of any Event of Default pursuant to Section 7.01(b), the Administrative Agent, the Master Collateral Agent, the Collateral Administrator and each Lender (and their respective banking Affiliates) are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final but excluding the Escrow Accounts) at any time held and other indebtedness at any time owing by

the Administrative Agent, the Master Collateral Agent, the Collateral Administrator and each Lender (or any of such banking Affiliates) to or for the credit or the account of any Loan Party against any and all of any such overdue amounts owing to such Person under the Loan Documents, irrespective of whether or not the Administrative Agent, the Master Collateral Agent, the Collateral Administrator or such Lender shall have made any demand under any Loan Document; *provided* that in the event that any Defaulting Lender exercises any such right of setoff, (x) all amounts so set off will be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.26(d) and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender will provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender, the Master Collateral Agent, the Collateral Administrator and the Administrative Agent agree promptly to notify the Loan Parties after any such set-off and application made by such Lender, the Master Collateral Agent, the Collateral Administrator or the Administrative Agent (or any of such banking Affiliates), as the case may be, *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender, the Master Collateral Agent, the Collateral Administrator and the Administrative Agent under this Section 2.23 are in addition to other rights and remedies which such Lender, the Administrative Agent, the Master Collateral Agent and the Collateral Administrator may have upon the occurrence and during the continuance of any Event of Default.

Section 2.24 Peak Debt Service Coverage Cure. To the extent that Collections received in the Collection Account with respect to any Quarterly Reporting Period are insufficient to satisfy the Peak Debt Service Coverage Ratio Test for such Quarterly Reporting Period (the "**Shortfall Period**"), at any time prior to the related Determination Date the Borrowers may deposit, or cause to be deposited into the Collection Account, funds in an amount necessary to satisfy the Peak Debt Service Coverage Ratio Test for such Shortfall Period (determined as if such deposited funds constitute Collections attributable to such Shortfall Period); *provided* that (x) deposits made pursuant to this Section 2.24 shall not occur more than five times in the aggregate prior to the Term Loan Maturity and no more than two times in any 12 month period, (y) any such amounts received in the Collection Account on or prior to the applicable Determination Date in accordance with this Section 2.24 will be treated as Collections for purposes of the Peak Debt Service Coverage Ratio Test for the Shortfall Period and (z) amounts deposited in the Collection Account after such Determination Date and designated as Cure Amounts by the Borrowers shall be treated as Collections for the Quarterly Reporting Period in which such funds were deposited and shall not be included in the Peak Debt Service Coverage Ratio Test for the Shortfall Period (amounts deposited pursuant to this paragraph being, "**Cure Amounts**").

Section 2.25 Payment of Obligations. Subject to the provisions of Section 7.01, upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this

Agreement or any of the other Loan Documents of the Loan Parties, the Lenders shall be entitled to immediate payment of such Obligations.

Section 2.26 Defaulting Lenders.

(a) If at any time any Lender becomes a Defaulting Lender, then the Borrowers may replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.02(b) (with the assignment fee to be waived in such instance and subject to any consents required by such Section) all of its rights and obligations under this Agreement to one or more assignees; *provided* that neither the Administrative Agent nor any Lender shall have any obligation to the Borrowers to find a replacement Lender.

(b) Any Lender being replaced pursuant to Section 2.26(a) shall (i) execute and deliver to the Administrative Agent, an Assignment and Acceptance with respect to such Lender's outstanding Term Loan Commitments and Term Loans, and (ii) deliver any documentation evidencing such Term Loans to the Borrowers or the Administrative Agent. Pursuant to such Assignment and Acceptance, (A) the assignee Lender shall acquire all or a portion, as specified by the Borrowers and such assignee, of the assigning Lender's outstanding Term Loan Commitments and Term Loans, (B) all obligations of the Borrowers owing to the assigning Lender relating to the Term Loan Commitments and Term Loans so assigned shall be paid in full by the assignee Lender to such assigning Lender concurrently with such Assignment and Acceptance (including, without limitation, any amounts owed under Section 2.15 due to such replacement occurring on a day other than a Payment Date), and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate documentation executed by the Borrowers, the assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Term Loan Commitments and Term Loans, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender; *provided* that an assignment contemplated by this Section 2.26(b) shall become effective notwithstanding the failure by the assigning Lender to deliver the Assignment and Acceptance contemplated by this Section 2.26(b), so long as the other actions specified in this Section 2.26(b) shall have been taken.

(c) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law, such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.08.

(d) Any amount paid by the Borrowers or otherwise received by the Administrative Agent for the account of a Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity payments or other amounts) will not be paid or distributed to such Defaulting Lender, but shall instead be retained by the Administrative Agent in a segregated account until (subject to Section 2.26(f)) the termination of the Term Loan

Commitments and payment in full of all obligations of the Borrowers hereunder and will be applied by the Collateral Administrator, to the fullest extent permitted by law, to the making of payments from time to time in the following order of priority:

first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent;

second, to the payment of the Default Interest and then current interest due and payable to the Lenders which are Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such interest then due and payable to them,

third, to the payment of fees then due and payable to the Non-Defaulting Lenders hereunder, ratably among them in accordance with the amounts of such fees then due and payable to them,

fourth, to pay principal then due and payable to the Non-Defaulting Lenders hereunder ratably in accordance with the amounts thereof then due and payable to them,

fifth, to the ratable payment of other amounts then due and payable to the Non-Defaulting Lenders, and

sixth, after the termination of the Term Loan Commitments and payment in full of all obligations of the Borrowers hereunder, to pay amounts owing under this Agreement to such Defaulting Lender or as a court of competent jurisdiction may otherwise direct.

(e) The Borrowers may terminate the unused amount of the Term Loan Commitment of any Lender that is a Defaulting Lender upon not less than five (5) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Non-Defaulting Lenders thereof), and in such event the provisions of Section 2.26(d) will apply to all amounts thereafter paid by the Borrowers for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts), *provided* that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim any Borrower, the Administrative Agent, or any Lender may have against such Defaulting Lender.

(f) If the Borrowers and the Administrative Agent agree in writing that a Lender that is a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the Non-Defaulting Lenders, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any amounts then held in the segregated account referred to in Section 2.26(d)), such Lender shall purchase at par such portions of outstanding Term Loans of the other Lenders, and/or make such other adjustments, as the Administrative Agent may determine to be necessary to cause the Lenders to hold Term Loans on a pro rata basis in accordance with their respective Term Loan Commitments, whereupon such Lender shall cease to be a Defaulting Lender and will be a Non-Defaulting Lender; *provided* that no adjustments

shall be made retroactively with respect to fees accrued while such Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-Defaulting Lender shall constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(g) Notwithstanding anything to the contrary herein, the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 8.05.

Section 2.27 Incremental Term Loans.

(a) *Borrowers Request*. The Borrowers may, by written notice to the Administrative Agent from time to time, request an increase to the existing Facility or one or more new term loan facilities (the commitments thereunder, the "**Incremental Commitments**" and the Term Loans thereunder, the "**Incremental Term Loans**") in an amount not less than $25.0 million individually from one or more Incremental Lenders (which may include any existing Lender) willing to provide such Incremental Commitments in their sole discretion; *provided* that each Incremental Lender (which is not an existing Lender) shall be subject to the approval requirements of Section 10.02. Each such notice shall specify (i) the date (each, an "**Increase Effective Date**") on which the Borrowers propose that the proposed Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent (or such shorter notice as agreed to by the Administrative Agent) and (ii) the identity of each Eligible Assignee to whom the Borrowers propose any portion of such Incremental Commitments be allocated and the amounts of such allocations (each provider of the Incremental Commitments referred to herein as an "**Incremental Lender**"); *provided* that any existing Lender approached to provide all or a portion of the proposed Incremental Commitments may elect or decline, in its sole discretion, to provide such Incremental Commitment.

(b) *Conditions*. Any new Incremental Commitments shall become effective as of such Increase Effective Date *provided* that:

(i) each of the conditions set forth in Section 4.02 shall be satisfied or waived by the Incremental Lenders on or prior to such Increase Effective Date;

(ii) no Default, Event of Default or Early Amortization Event shall have occurred and be continuing or would result from giving effect to the Incremental Commitments on, or the making of any Incremental Term Loans on, such Increase Effective Date;

(iii) after giving effect to the Borrowing of the applicable Incremental Term Loans on the Increase Effective Date (and assuming such Borrowing on such date in the case of any delayed draw term loan), the aggregate outstanding principal amount of the Priority Lien Debt, giving effect to any reductions of such outstanding amount including as a result of any voluntary prepayments (including

those pursuant to debt buybacks made by the Borrowers in an amount equal to the face value of such indebtedness), mandatory prepayments and amortization of Priority Lien Debt prior to such time, shall not (excluding any fees, premiums, costs and other expenses in connection therewith) exceed the Priority Lien Cap;

(iv) the Rating Agency Condition has been satisfied;

(v) the pro forma Peak Debt Service Coverage Ratio (calculated using the Maximum Quarterly Debt Service of the then existing Term Loans and the Incremental Term Loans) as of the immediately preceding Determination Date, immediately after giving effect to the making of the Incremental Term Loans shall be more than (i) for any date of determination prior to the Determination Date occurring in July 2022, 1.50 to 1.00, (ii) for any date of determination during the period beginning on or after the Determination Date occurring in July 2022 but excluding the Determination Date occurring in January 2023, 1.75 to 1.00 and (iii) for any date of determination occurring on or after the Determination Date in January 2023, 2.25 to 1.00; and

(vi) there is no action, proceeding, or investigation pending or threatened in writing against any Loan Party before any court or administrative agency that has a reasonable likelihood of adverse determination, which determination would reasonably be expected to result in a Material Adverse Effect.

(c) Terms of Incremental Commitments. The terms and provisions of Term Loans made pursuant to any Incremental Commitments shall be as follows:

(i) terms and provisions with respect to interest rates, maturity date and amortization schedule of Incremental Term Loans made pursuant to any Incremental Commitments shall be as agreed upon between the Borrowers and the applicable Lenders providing such Incremental Term Loans (it being understood that the Incremental Term Loans may be part of the Initial Term Loans or any other Class of Term Loans);

(ii) the Weighted Average Life to Maturity of any Term Loans made pursuant to Incremental Commitments shall be no shorter than the remaining Weighted Average Life to Maturity of the existing Term Loans;

(iii) the maturity date for such Term Loans shall be on or after the Latest Maturity Date;

(iv) to the extent that the terms and provisions of Incremental Term Loans are not identical to an outstanding Class of Term Loans (except to the extent permitted by clauses (i), (ii) and (iii) above), such terms and conditions shall (A) be reasonably acceptable to the Administrative Agent or (B) not be materially more restrictive to the Borrowers than the terms of the then-outstanding

Term Loans (except for (1) covenants, events of default and guarantees applicable only to periods after the Latest Maturity Date (as of the date of the incurrence of such Incremental Term Loans) and (2) subject to clause (vi), pricing, fees, rate floors, premiums, optional prepayment or redemption terms) unless the Lenders under the then-outstanding Term Loans, receive the benefit of such more restrictive terms; *provided* that in no event shall such Incremental Term Loans be subject to events of default resulting (either directly or through a cross-default or cross-acceleration provision) from the occurrence of any event described in the definition of "Parent Bankruptcy Event" (or the occurrence of any such event with respect to any Subsidiary of Delta other than any SPV Party) except on the same terms as the then-outstanding Term Loans;

(v) such Incremental Term Loans shall not be subject to any Guarantee by any Person other than a Loan Party and shall not be secured by a Lien on any asset other than any asset constituting Collateral (except to the extent that any additional collateral security is added to the Collateral to secure, and additional guarantees are added for the benefit of, the then-outstanding Term Loans); and

(vi) the All-In Yield applicable to any Incremental Term Loans shall be determined by the Borrowers and the applicable Lenders providing such Incremental Term Loans; *provided* that if the All-In Yield of any such Incremental Term Loans exceeds the All-In Yield on any then-existing Term Loans (calculated in the same manner and after giving effect to any amendment to interest rate margins applicable to such existing Term Loans after the Closing Date but immediately prior to the time of the making of such Incremental Term Loans) by more than 0.50%, the applicable margins applicable to such existing Term Loans shall be increased to the extent necessary so that the yield on such Term Loans is 0.50% less than the All-In Yield on such Incremental Term Loans (it being agreed that any increase in yield to such existing Term Loans required due to the application of a ~~LIBO Rate~~**Adjusted Term SOFR** or Alternate Base Rate floor on any Incremental Term Loans shall be effected solely through an increase in (or implementation of, as applicable) any ~~LIBO Rate~~**Adjusted Term SOFR** or Alternate Base Rate floor applicable to such existing Term Loans).

The Incremental Commitments shall be effected by a joinder agreement (the "**Increase Joinder**") executed by the Borrowers, the Administrative Agent and each Incremental Lender making such Incremental Commitment, in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section 2.27. In addition, unless otherwise specifically provided herein, all references in the Loan Documents to Term Loans shall be deemed, unless the context otherwise requires, to include references to any Term Loans made pursuant to Incremental Commitments and this Agreement.

(d) *Making of New Term Loans*. On any Increase Effective Date on which one or more Incremental Commitments becomes effective, subject to the satisfaction of the foregoing terms and conditions, each Incremental Lender holding such Incremental Commitment shall make an Incremental Term Loan to the Borrowers in an amount equal to its Incremental Commitment.

(e) *Equal and Ratable Benefit*. The Incremental Term Loans and Incremental Commitments established pursuant to this Section 2.27 shall constitute Term Loans and Term Loan Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents and shall, without limiting the foregoing, benefit equally and ratably from the security interests created by the Collateral Documents.

Section 2.28 Extension of Term Loans.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, a "**Extension Offer**"), made from time to time by the Borrowers to all Lenders holding Term Loans with like maturity date, on a pro rata basis (based on the aggregate Term Loan Commitments with like maturity date) and on the same terms to each such Lender, the Borrowers are hereby permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in any such Extension Offers to extend the scheduled maturity date with respect to all or a portion of any outstanding principal amount of such Lender's Term Loans and otherwise modify the terms of such Term Loans pursuant to the terms of the relevant Extension Offer (including, without limitation, by changing the interest rate or fees payable in respect of such Term Loan Commitments) (each, an "**Extension**", and each group of Term Loans, as so extended, as well as the original Term Loans not so extended, being a "**tranche of Term Loans**", and any Extended Term Loan shall constitute a separate tranche of Term Loans from the tranche of Term Loans from which they were converted), so long as the following terms are satisfied or waived:

(i) no Event of Default shall have occurred and be continuing at the time the offering document in respect of an Extension Offer is delivered to the applicable Lenders (the "**Extension Offer Date**");

(ii) except as to interest rates, fees, scheduled amortization payments of principal and final maturity (which shall be as set forth in the relevant Extension Offer), the Term Loan of any Lender that agrees to an Extension with respect to such Term Loan extended pursuant to an Extension Amendment (an "**Extended Term Loan**"), shall be a Term Loan with the same terms as the original Term Loans; *provided* that (1) the permanent repayment of Extended Term Loans after the applicable Extension shall be made on a pro rata basis with all other Term Loans, except that the Borrowers shall be permitted to permanently repay any such tranche of Term Loans on a better than a pro rata basis as compared to any other tranche of Term Loans with a later maturity date than such tranche of Term Loans, (2) assignments and participations of Extended Term

Loans shall be governed by the same assignment and participation provisions applicable to Term Loans, (3) the relevant Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of such Extension Amendment (immediately prior to the establishment of such Extended Term Loans), (4) Extended Term Loans may have call protection as may be agreed by the Borrowers and the applicable Lenders of such Extended Term Loans, (5) no Extended Term Loans may be optionally prepaid prior to the date on which all Term Loans with an earlier Term Loan Maturity Date are repaid in full, unless such optional prepayment is accompanied by a pro rata optional prepayment of such other Term Loans and (6) at no time shall there be Term Loans hereunder (including Extended Term Loans and any original Term Loans) which have more than five different maturity dates;

(iii) all documentation in respect of such Extension shall be consistent with the foregoing; and

(iv) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrowers.

For the avoidance of doubt, no Lender shall be obligated to accept any Extension Offer.

(b) [Reserved].

(c) With respect to all Extensions consummated by the Borrowers pursuant to this Section 2.28, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.12 or Section 2.13 and (ii) each Extension Offer shall specify the minimum amount of Term Loans to be tendered, which shall be a minimum amount reasonably approved by the Administrative Agent (a "**Minimum Extension Condition**"). The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section 2.28 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.12, 2.17 and 8.08) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.28.

(d) The consent of the Administrative Agent shall not be required to effectuate any Extension. No consent of any Lender shall be required to effectuate any Extension, other than the consent of each Lender agreeing to such Extension with respect to one or more of its Term Loans (or a portion thereof), as applicable. All Extended Term Loans and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are secured by the Collateral on a *pari passu* basis with all other applicable Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents (each, an "**Extension Amendment**") with the Borrowers as may be

necessary in order to establish new tranches or sub-tranches in respect of Term Loans so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrowers in connection with the establishment of such new tranches or sub-tranches, in each case on terms consistent with this Section 2.28.

(e) In connection with any Extension, the Borrowers shall provide the Administrative Agent at least five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.28.

SECTION 3.

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to make Term Loans hereunder, each Loan Party jointly and severally represents and warrants as follows:

Section 3.01 Organization and Authority. Each of the Loan Parties (a) is duly organized or incorporated, validly existing and in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the laws of the jurisdiction of its organization or incorporation and is duly qualified and in good standing in each other jurisdiction in which the failure to so qualify would have a Material Adverse Effect and (b) has the requisite corporate or limited liability company power and authority to effect the Transactions and (c) has the requisite power and authority and the legal right to own or lease and operate their properties, pledge or grant other security interests over the Collateral and to conduct their business as now or currently proposed to be conducted.

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

Section 3.03 Due Execution. The execution, delivery and performance by the Loan Parties of each of the Transaction Documents to which it is a party:

(a) are within the respective corporate or limited liability company powers of such Loan Party, have been duly authorized by all necessary corporate or limited liability

company action, including the consent of shareholders or members where required, and do not (i) contravene the charter, memorandum and articles of association, by-laws or limited liability company agreement (or equivalent documentation) of such Loan Party, (ii) violate any applicable law (including, without limitation, the Securities Exchange Act of 1934) or regulation (including, without limitation, Regulations T, U or X of the Board), or any order or decree of any court or Governmental Authority, other than violations by a Loan Party which would not reasonably be expected to have a Material Adverse Effect or (iii) conflict with or result in a breach of, or constitute a default under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on a Loan Party or any of their properties, which, in the aggregate, would reasonably be expected to have a Material Adverse Effect; and

(b) do not require the consent, authorization by or approval of or notice to or filing or registration with any Governmental Authority or any other Person, other than (i) the filing of financing statements under the UCC, (ii) the filings and consents contemplated by the Collateral Documents (including appropriate filings with the U.S. Patent and Trademark Office), (iii) approvals, consents and exemptions that have been obtained on or prior to the Closing Date and remain in full force and effect, (iv) consents, approvals and exemptions that the failure to obtain in the aggregate would not be reasonably expected to result in a Material Adverse Effect and (v) routine reporting obligations. Each Transaction Document to which a Loan Party is a party has been duly executed and delivered by the Loan Parties party thereto. This Agreement and the other Transaction Documents to which any Loan Party is a party, when delivered hereunder or thereunder, will be a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.04 [Reserved].

Section 3.05 Financial Statements; Material Adverse Change.

(a) Delta has furnished to the Administrative Agent on behalf of the Lenders copies of the audited consolidated financial statements of Delta and its Subsidiaries for the fiscal year ended December 31, 2019, reported on by Ernst & Young LLP. Such financial statements present fairly, in all material respects, in accordance with GAAP, the financial condition, results of operations and cash flows of Delta and its Subsidiaries on a consolidated basis as of the date thereof and for the period covered thereby (subject to normal year-end audit adjustments and the absence of footnotes in the case of the unaudited financial statements). Documents required to be delivered pursuant to this Section 3.05(a) which are made available via EDGAR, or any successor system of the SEC, in Delta's Annual Report on Form 10-K, shall be deemed delivered to the Administrative Agent and the Lenders on the date such documents are made so available.

(b) Since December 31, 2019, there has been no Material Adverse Change.

Section 3.06 [Reserved].

Section 3.07 Liens. There are no Liens of any nature whatsoever on any Collateral other than Permitted Liens.

Section 3.08 Use of Proceeds. The proceeds of the Term Loans received on the Closing Date shall be used (a) to fund the Reserve Account, (b) to fund the Collection Account and such proceeds of the Term Loans deposited into the Collection Account will be distributed by Loyalty Co to HoldCo 3 and subsequently by HoldCo 3 to HoldCo 2 to make the Delta Intercompany Loan to Delta and (c) to pay transaction costs, fees and expenses as contemplated hereby and as referred to in Section 2.19), and no part of the proceeds of any Term Loan will be used for any purpose which would violate, or be inconsistent with, any of the margin regulations of the Board.

Section 3.09 Litigation and Compliance with Laws.

(a) Except as disclosed in Delta's Annual Report on Form 10-K for 2019 or any report filed by Delta on Form 10-Q or Form 8-K with the SEC after December 31, 2019, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Loan Parties, threatened against any Loan Party or any of their respective properties (including any properties or assets that constitute Collateral under the terms of the Loan Documents), before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that (i) are likely to have a Material Adverse Effect or (ii) could reasonably be expected to affect the legality, validity, binding effect or enforceability of the Loan Documents, the IP Agreements, the Intercompany Agreements or the SkyMiles Agreements or, in any material respect, the rights and remedies of the Secured Parties under the Loan Documents or in connection with the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, each Loan Party to its knowledge is currently in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business and ownership of its property.

Section 3.10 [Reserved].

Section 3.11 [Reserved].

Section 3.12 [Reserved].

Section 3.13 Investment Company Act. No Loan Party is, or is required to be, registered as an "investment company" under the 1940 Act.

Section 3.14 Ownership of Collateral.

(a) Each Grantor has good title, leasehold, license or rights to use, all Collateral (other than Intellectual Property and data, which is addressed below in clause (b)) owned or purported to be owned by it that is material to the conduct of the business of such Grantor, in each case free and clear of all Liens other than Permitted Liens.

(b) Except for Intellectual Property and data that is not material, individually or in the aggregate, to the conduct of the business of Loyalty Co, Loyalty Co has good title to all Intellectual Property and data that is Collateral owned or purported to be owned by it, in each case free and clear of all Liens other than Permitted Liens, subject to the filing of assignments at the applicable intellectual property office for Intellectual Property contributed directly or indirectly to Loyalty Co pursuant to the Contribution Agreements.

Section 3.15 Perfected Security Interests. The Collateral Documents, taken as a whole, are effective to create in favor of the Master Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all of the Collateral to the extent purported to be created thereby, subject as to enforceability to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. With respect to the Collateral as of the Closing Date, at such time as (a) financing statements in appropriate form are filed in the appropriate offices (and the appropriate fees are paid), (b) the execution of Account Control Agreements, and (c) the appropriate filings with the United States Patent and Trademark Office are made, the Master Collateral Agent, for the benefit of the Secured Parties, shall have a first priority perfected security interest and/or mortgage (or comparable Lien) in all of such Collateral to the extent that the Liens on such Collateral may be perfected upon the filings, registrations or recordations or upon the taking of the actions described in clauses (a), (b) and (c) above, subject in each case only to Permitted Liens, and such security interest is entitled to the benefits, rights and protections afforded under the Collateral Documents applicable thereto (subject to the qualification set forth in the first sentence of this Section 3.15).

Section 3.16 Payment of Taxes. Each Loan Party has timely filed or caused to be filed all Tax returns and reports required to have been filed by it and has paid or caused to be paid when due all Taxes required to have been paid by it, except and solely to the extent that, in each case (a) such Taxes are being contested in good faith by appropriate proceedings or (b) the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 3.17 Anti-Corruption Laws and Sanctions. Delta has implemented and maintains in effect policies and procedures reasonably designed to promote compliance by Delta, its Subsidiaries and, when acting in such capacity, their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Delta and its Subsidiaries are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions. None of Delta, any of its Subsidiaries or to the knowledge of Delta any of their respective directors or officers is a Sanctioned Person. No Loan Party will, nor will any Loan Party permit

any of its Subsidiaries to use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Borrowing for the purpose of funding, financing or facilitating any activities, business or transactions of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent licensed by OFAC or otherwise authorized under U.S. law.

Section 3.18 Schedule of the SkyMiles Agreements; Sole Intercompany Agreement. Schedule 3.18 sets forth the name of each SkyMiles Agreement and each Material SkyMiles Agreement as of the Closing Date. After giving effect to any agreements, licenses or sublicenses terminated or cancelled on the Closing Date, other than the Intercompany Agreements, the Delta Intercompany Note, the Deeds of Undertaking, the Management Agreement and the IP Agreements provided to the Administrative Agent prior to the Closing Date, no Loan Party is party to any material agreement, license or sublicense with any other Loan Party governing the SkyMiles Program.

Section 3.19 Representations Regarding the SkyMiles Agreements. With respect to each SkyMiles Agreement as of the Closing Date and on the initial date that an agreement is designated as a "SkyMiles Agreement" on Schedule 3.18 (solely in respect of such SkyMiles Agreement) pursuant to Section 5.16(i):

(a) (i) each Loan Party that is a party to such SkyMiles Agreement had full legal capacity to execute and deliver such SkyMiles Agreement and (ii) (x) such SkyMiles Agreement is in full force and effect and constitutes the legal, valid and binding obligation of the applicable Loan Party enforceable against such Loan Party in accordance with its terms, subject to usual and customary bankruptcy, insolvency and equity limitations and (y) such SkyMiles Agreement is not subject to, or the subject of any assertions in respect of, any material litigation, dispute or offset of the applicable Loan Party or its Subsidiaries;

(b) to the knowledge of the Loan Parties, (i) no default by any party thereto exists and (ii) no party thereto is delinquent in payment of any other amounts required to be paid thereunder, in each case, that would reasonably be expected to result in a Material Adverse Effect;

(c) such SkyMiles Agreement complies with, and will not violate, any applicable law except as would not reasonably be expected to result in a Material Adverse Effect;

(d) except as disclosed to the Administrative Agent, the SkyMiles Agreements permit the Loan Parties to (i) grant a security interest therein granted to the Master Collateral Agent pursuant to the Collateral Documents and (ii) transfer such SkyMiles Agreement and the Loan Parties' right, title and interest therein to Loyalty Co pursuant to the Contribution Agreements; and

(e) as of the Closing Date, the Collateral includes all of the rights under the contracts that generate at least 95.0% of the SkyMiles Revenues for the preceding twelve (12) calendar months.

Section 3.20 Compliance with IP Agreements. Each Loan Party is in compliance in all material respects with the terms and conditions of each IP Agreement to which they are a party as of the Closing Date.

Section 3.21 Solvency; Fraudulent Conveyance. Both immediately before and immediately after giving effect to the Borrowings on the Closing Date, the fair value of the assets (on a going concern basis) of the Loan Parties (taken as a whole) is greater than the fair value of the liabilities (including, without limitation, contingent liabilities if and to the extent required to be recorded as a liability on the financial statements of such Person in accordance with GAAP) of such Loan Party, and the Loan Parties (taken as a whole) are Solvent. No Loan Party intends to incur, or believes that it has incurred, debts beyond its ability to pay such debts as they mature in the ordinary course of business. As of the Closing Date, no Loan Party is contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, provisional liquidator, conservator, trustee or similar official in respect of such Person or any of its assets. No Grantor is transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. As of the Closing Date, no liquidation or dissolution of any Loan Party is pending or, to the knowledge of any such Person, threatened. As of the Closing Date, no receivership, insolvency, bankruptcy, reorganization or other similar proceedings relative to any Loan Party is pending, or to the knowledge of any such Person, threatened.

Section 3.22 Intellectual Property.

(a) Except as would not be reasonably expected to result in a Material Adverse Effect, Delta and its Subsidiaries have taken commercially reasonable measures to protect the confidentiality of the SkyMiles Customer Data and all Trade Secrets of Delta and its Subsidiaries included in the SkyMiles Intellectual Property (and any material Trade Secrets owned by any Person to whom any Loan Party or any of its Subsidiaries has a confidentiality obligation with respect to the SkyMiles Program), as determined in their commercially reasonable business judgment. No material portion of the SkyMiles Customer Data, and no such material Trade Secrets have been disclosed by Delta and its Subsidiaries to any Person other than (i) pursuant to a written agreement restricting the disclosure and use thereof or (ii) SkyMiles Customer Data disclosed to members in the ordinary course of operating the SkyMiles Program. Except as would not be reasonably expected to result in a Material Adverse Effect, no current or former employee, contractor or consultant of Delta or its Subsidiaries or their Affiliates has any right, title or interest in or to any SkyMiles Intellectual Property. All Persons (including any current or former employees, contractors or consultants) who have developed, created, conceived or reduced to practice any material SkyMiles Intellectual Property for Delta or any of its

Subsidiaries have assigned all right, title and interest in and to all such SkyMiles Intellectual Property pursuant to a valid and enforceable written contract or by operation of law.

(b) Following the contribution on the Closing Date of the SkyMiles Intellectual Property by Delta, directly or indirectly, to Loyalty Co pursuant to the Contribution Agreements, Delta and each of its subsidiaries (other than Loyalty Co) would not be able to operate the SkyMiles Program in a manner materially consistent with the operation of the SkyMiles Program on the Closing Date, or any other similar airline loyalty program (other than a Permitted Acquisition Loyalty Program or Specified Minority Owned Program), without the rights granted to Delta with respect to such SkyMiles Intellectual Property under the IP Licenses.

Section 3.23 Privacy and Data Security.

(a) Except as would not be reasonably expected to result in a Material Adverse Effect, each applicable Loan Party maintains commercially reasonable privacy and data security policies. Except as would not be reasonably expected to result in a Material Adverse Effect, during the five (5) year period preceding the date hereof, each applicable Loan Party and each of its Subsidiaries and each of its Third Party Processors have been and, as of the date hereof, is in compliance with (i) all internal privacy policies and privacy policies contained on any websites maintained by or on behalf of each such Loan Party or such Subsidiary, and such policies are consistent with the actual practices of such entity, (ii) all Data Protection Laws with respect to Personal Data, including Data Protection Laws anywhere in the United States, the State of California, the Cayman Islands, the United Kingdom and the European Union and (iii) its contractual commitments and obligations regarding Personal Data.

(b) Except as would not be reasonably expected to result in a Material Adverse Effect, the consummation of the transactions contemplated by this Agreement will not cause any Loan Party to be in violation or breach of any policy of any Loan Party, law of the United States or European Union or contractual agreement to which any Loan Party is a party, in each case with respect to Personal Data.

SECTION 4.

CONDITIONS OF LENDING

Section 4.01 Conditions Precedent to Closing. This Agreement shall become effective on the date on which the following conditions precedent shall have been satisfied (or waived by the Lenders in accordance with Section 10.08 and by the Administrative Agent):

(a) *Supporting Documents*. The Administrative Agent shall have received with respect to the Loan Parties in form and substance reasonably satisfactory to the Administrative Agent:

(i) to the extent available in the applicable jurisdiction, a certificate of the Secretary of State of the state of such entity's incorporation or formation (other

than in respect of any entity incorporated in the Cayman Islands), dated as of a recent date, as to the good standing of that entity and as to the charter documents on file in the office of such Secretary of State and a certificate of good standing issued by the Registrar of Companies dated as of a recent date in respect of each Loan Party incorporated, registered or formed in the Cayman Islands;

(ii) a certificate of the Secretary or an Assistant Secretary (or similar officer), of such entity dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation, registration or formation and the memorandum and articles of association, by-laws or limited liability company or other operating agreement (as the case may be) (or equivalent constitutional documents) of that entity as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors, board of managers or members (or similar managing body) of that entity authorizing the Borrowings hereunder, the execution, delivery and performance in accordance with their respective terms of this Agreement, the other Loan Documents and any other documents required or contemplated hereunder or thereunder, and the granting of the Liens contemplated hereby or the other Loan Documents (in each case to the extent applicable to such entity), (C) that the certificate of incorporation, registration or formation (or equivalent constitutional documents) of that entity has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above (if applicable), and (D) as to the incumbency and specimen signature of each officer of that entity executing this Agreement and the Loan Documents or any other document delivered by it in connection herewith or therewith (such certificate to contain a certification by another officer or similar authorized person of that entity as to the incumbency and signature of the officer signing the certificate referred to in this clause (ii)); and

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

(b) *Term Loan Credit Agreement*. Each party hereto (including each Borrower and each Guarantor) shall have duly executed and delivered to the Administrative Agent this Agreement.

(c) *Security Agreements*. The Loan Parties shall have duly executed and delivered to the Administrative Agent the Security Agreement, the Cayman Share Mortgage and each of the IP Security Agreements, in each case in form and substance reasonably acceptable to the Administrative Agent and all financing statements in form and substance reasonably acceptable to the Administrative Agent, as may be required to grant an enforceable security interest in the applicable Collateral (subject to the terms hereof and of the other Loan Documents) in accordance with the UCC as enacted in all relevant jurisdictions, together with certificates, if any, representing the pledged Equity Interests accompanied by undated stock powers executed in blank to the extent required by the Security Agreement.

(d) *Collateral Agency and Accounts Agreement*. The Borrowers, the Collateral Administrator, the Depositary and the Master Collateral Agent shall have executed the Collateral Agency and Accounts Agreement.

(e) *Opinions of Counsel*. The Administrative Agent, the Lenders, the Collateral Administrator and the Master Collateral Agent shall have received each of the following, dated as of the Closing Date, and in form and substance reasonably satisfactory to the Administrative Agent, the Lenders, the Collateral Administrator and the Master Collateral Agent:

(i) a customary written opinion of David Cartee, Associate General Counsel for Delta;

(ii) a customary written opinion of Davis Polk & Wardwell LLP, special New York counsel to the Loan Parties, including a true contribution opinion and a non-conflict with contractual obligations opinion;

(iii) a customary written opinion of Dorsey & Whitney LLP, special Delaware counsel to the Loan Parties;

(iv) a customary written opinion of Walkers, special Cayman Islands counsel to the Secured Parties, including as to non-consolidation of Loyalty Co, HoldCo 1, HoldCo 2, HoldCo 3 and Delta;

(v) a customary written opinion of Maples and Calder, special Cayman Islands counsel to the Loan Parties; and

(vi) a customary written opinion of Kilpatrick Townsend & Stockton LLP, special New York counsel to the Loan Parties.

(f) *Account Control Agreements*. The Administrative Agent shall have received fully executed copies of the Account Control Agreement with respect to the Collection Account.

(g) *Payment of Fees and Expenses*. The Borrowers shall have paid to the Agents, the Lead Arrangers and the Lenders the then unpaid balance of all accrued and unpaid Fees due, owing and payable under and pursuant to this Agreement, as referred to in Sections 2.19, and all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Milbank LLP and Walkers) and the Collateral Administrator, the Master Collateral Agent and the Depositary (including reasonable attorneys' fees of Smith, Gambrell & Russell, LLP) for which invoices have been presented at least two (2) Business Days prior to the Closing Date, or the Borrowers shall have authorized that such fees and expenses be deducted from the proceeds of the initial funding under the Term Loans.

(h) *Lien Searches*. The Administrative Agent shall have received copies of (1) UCC, tax and judgment lien searches, in each case as of a recent date that name Loyalty Co and the other SPV Parties (under their current and any previous names used within the last five years) and in such offices and the states (or other jurisdictions) of formation of such Persons or in which the chief executive office of each such Person is located together with copies of the financing statements (or similar documents) disclosed by such search, and (ii) lien searches of the United States Patent and Trademark Office and United States Copyright Office in respect of the SkyMiles Intellectual Property transferred by Delta pursuant to the Contribution Agreements on the Closing Date, in each case of (i) and (ii) accompanied by evidence reasonably satisfactory to the Administrative Agent that the Liens indicated in any such financing statement (or similar document) are in respect of a Permitted Lien.

(i) *[Reserved]*.

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

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

(l) *Patriot Act*. The Lenders shall have received at least three (3) days prior to the Closing Date all documentation and other information, including a Beneficial Ownership Certification, required by bank regulatory authorities under applicable "know-your-customer"

and anti-money laundering rules and regulations, including the Patriot Act, that such Lenders shall have requested from any Loan Party at least ten (10) days prior to the Closing Date.

(m) *Solvency Certificate*. The Administrative Agent shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of Delta certifying that the Loan Parties (taken as a whole) are, and will be immediately after giving effect to the Facility, Solvent.

(n) *Direction of Payment*. Delta shall provide confirmation that a Direction of Payment has been delivered to a sufficient number of counterparties under SkyMiles Agreements to cause at least 90% of the SkyMiles Revenues to be directly deposited into the Collection Account.

(o) *Contribution Agreements*. The Borrowers shall provide copies of executed agreements evidencing the transfer of (i) all of Delta's rights, title and interest in and to the SkyMiles Intellectual Property that it owns or purports to own (excluding the Composite Marks and the Specified Intellectual Property) to Loyalty Co, (ii) all of Delta's rights to establish, create, organize, initiate, participate, operate, assist, benefit from, promote or otherwise be involved in or associated with, in any capacity, the SkyMiles Program or any other customer loyalty miles program or any similar customer loyalty program to Loyalty Co (other than with respect to a Specified Minority Owned Program or a Permitted Acquisition Loyalty Program), and (iii) all of Delta's rights, title and interest in, to and under the SkyMiles Agreements (other than the Intercompany Agreements), in each case, pursuant to Contribution Agreements in form and substance reasonably satisfactory to the Administrative Agent.

(p) *Other Transaction Documents*. The Administrative Agent shall have received a copy of each other Transaction Document duly executed and delivered by each of the parties thereto.

(q) *Ratings*. The Loan Parties shall have obtained ratings for the Initial Term Loans from two (2) Rating Agencies (which Rating Agencies are acceptable to the Lead Arrangers in their sole discretion).

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

Section 4.02 Conditions Precedent to Each Loan. The obligation of the Lenders to make any Term Loans, including the Term Loans to be made on the Closing Date, is subject to the satisfaction (or waiver in accordance with Section 10.08) of the following conditions precedent:

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

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

(c) *No Early Amortization Event or Event of Default*. Before and after giving effect to the Borrowing of such Term Loan on a pro forma basis, no Early Amortization Event or Event of Default shall have occurred and be continuing on the date such Term Loan is made.

The acceptance by the Borrowers of each extension of credit hereunder shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in Section 4.02 have been satisfied at that time.

Section 4.03 Conditions Subsequent.

(a) Any assignment, pursuant to a Contribution Agreement, of SkyMiles Intellectual Property registered in the United States shall be filed in the applicable intellectual property office on or before the date that is thirty (30) days after the Closing Date (as extendable automatically for not more than thirty (30) days without further consent to the extent the Borrowers are diligently pursuing satisfaction of the terms hereof, but such completion has been delayed as a result of the COVID-19 pandemic or other similar events and conditions (e.g., natural disaster), which are outside the control of the Borrowers); provided that such period may be extended to a later date as the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) may agree. Any assignment, pursuant to a Contribution Agreement, of SkyMiles Intellectual Property registered outside the United States shall be filed in the applicable intellectual property office on or before the date that is one hundred and eighty (180) days after the Closing Date (as extended automatically without further consent to the extent the Borrowers are diligently pursuing satisfaction of the terms hereof, but such completion has been delayed as a result of applicable law or the COVID-19 pandemic or other similar events and conditions (e.g., natural disaster), which are outside the control of the Borrowers); provided that such period may be extended to a later date as the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) may agree.

(b) On or before the Closing Date, Delta shall segregate, compile and host, and thereafter Delta shall maintain, current and future SkyMiles Customer Data in a database (the "**SkyMiles Customer Database**") separate from the database containing any data owned or purported to be owned, or later developed or acquired and owned or purported to be owned, by Delta or any of its Subsidiaries (other than the SkyMiles Customer Data); provided that Dated SkyMiles Member Profile Data may be commingled with other data owned or purported to be

owned, or later developed or acquired and owned or purported to be owned, by Delta or any of its Subsidiaries that is held in an archival format (such commingled Dated SkyMiles Member Profile Data, "**Archived SkyMiles Member Profile Data**"); and further provided that Delta shall not be required to remove or segregate any Delta Traveler Related Data contained in the SkyMiles Customer Database. Any Archived SkyMiles Member Profile Data shall continue to be subject to the security interest granted under the Collateral Documents. The SkyMiles Customer Database shall be property of Loyalty Co and subject to the lien granted under the Collateral Documents.

(c) With respect to Composite Marks registered in the United States, Delta shall, on or before the date that is thirty (30) days after the Closing Date (as extended automatically for not more than thirty (30) days without further consent to the extent the Borrowers are diligently pursuing satisfaction of the terms hereof, but such completion has been delayed as a result of the COVID-19 pandemic or other similar events and conditions (e.g., natural disaster), which are outside the control of the Borrowers); provided that such period may be extended to a later date as the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) may agree, make the necessary filings with the applicable intellectual property office to expressly cancel (or the equivalent) such registrations. With respect to Composite Marks registered in jurisdictions outside the United States, Delta shall, on or before the date that is one hundred and eighty (180) days after Closing Date (as extended automatically without further consent to the extent the Borrowers are diligently pursuing satisfaction of the terms hereof, but such completion has been delayed as a result of applicable law or the COVID-19 pandemic or other similar events and conditions (e.g., natural disaster), which are outside the control of the Borrowers), make the necessary filings with the applicable intellectual property office to expressly cancel (or the equivalent) such registrations; provided that such period may be extended to a later date as the Master Collateral Agent (acting at the direction of the Collateral Controlling Party) may agree.

SECTION 5.

AFFIRMATIVE COVENANTS

From the date hereof and for so long as the Term Loan Commitments remain in effect, the principal of or interest on any Term Loan is owing (or any other amount that is due and unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

Section 5.01 Financial Statements, Reports, Etc. The Borrowers shall deliver to the Administrative Agent on behalf of the Lenders:

(a) Within (i) ninety (90) days after the end of each fiscal year, Delta's consolidated balance sheet and related statement of income and cash flows, showing the financial condition of Delta and its Subsidiaries on a consolidated basis as of the close of such fiscal year and the results of their respective operations during such year, the consolidated

statement of Delta to be audited for Delta by independent public accountants of recognized national standing and to be accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception and without any more qualification or exception as to the scope of such audit, except for any such qualification solely as a result of (x) an impending debt maturity within twelve (12) months of the Term Loans or (y) a potential inability to satisfy any financial covenant) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of Delta and its Subsidiaries on a consolidated basis in accordance with GAAP; *provided* that the foregoing delivery requirement shall be satisfied if Delta shall have filed with the SEC its Annual Report on Form 10-K for such fiscal year, via EDGAR or any similar successor system and (ii) one hundred eighty (180) days after the end of the fiscal year ending December 31, 2020, and within one hundred twenty (120) days after the end of each fiscal year thereafter, the financial statements of HoldCo 1 and its Subsidiaries on a consolidated basis (including cash flows) to be audited for Delta by independent public accountants of recognized national standing and to be accompanied by an opinion of such accountants (which opinion shall be without a "going concern" or like qualification or exception and without any more qualification or exception as to the scope of such audit, except for any such qualification solely as a result of (x) an impending debt maturity within twelve (12) months of the Term Loans or (y) a potential inability to satisfy any financial covenant) to the effect that such financial statements fairly present in all material respects the financial condition and results of operations of HoldCo 1 and its Subsidiaries on a consolidated basis in accordance with GAAP;

(b) Within (i) forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year, Delta's consolidated balance sheets and related statements of income and cash flows, showing the financial condition of Delta and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of their operations during such fiscal quarter and the then elapsed portion of the fiscal year, each certified by a Responsible Officer of Delta as fairly presenting in all material respects the financial condition and results of operations of Delta and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year end audit adjustments and the absence of footnotes; *provided* that the foregoing delivery requirement shall be satisfied if Delta shall have filed with the SEC its Quarterly Report on Form 10-Q for such fiscal quarter, via EDGAR or any similar successor system and (ii) sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year beginning on January 1, 2021, financial statements (including cash flows) of HoldCo 1 and its Subsidiaries on a consolidated basis as of the close of such fiscal quarter and the results of its operations during such fiscal quarter and the then elapsed portion of the fiscal year, each certified by a Responsible Officer of Delta as fairly presenting in all material respects the financial condition and results of operations of HoldCo 1 and its Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year end audit adjustments and the absence of footnotes;

(c) Within the time period under Section 5.01(a) above with respect to Delta, a certificate of a Responsible Officer of Delta certifying that, to the knowledge of such Responsible Officer, no Early Amortization Event or Event of Default has occurred and is continuing, or, if, to the knowledge of such Responsible Officer, such an Early Amortization

Event or Event of Default has occurred and is continuing, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(d) On or prior to each Determination Date, a certificate of a Responsible Officer demonstrating in reasonable detail compliance with (i) Section 5.20 as of the last day of the preceding Quarterly Reporting Period and (ii) the Peak Debt Service Coverage Ratio Test as of the last day of the preceding Quarterly Reporting Period;

(e) [Reserved];

(f) [Reserved];

(g) Promptly upon knowledge thereof by a Responsible Officer of a Borrower, give to the Administrative Agent notice in writing of any Default, Early Amortization Event or Event of Default;

(h) Promptly after a Responsible Officer of Delta obtains knowledge of the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party that could reasonably be expected to result in a Material Adverse Effect, notification thereof; and

(i) Subject to any confidentiality restrictions under binding agreements or limitations imposed by applicable law, a notice posted on a password protected website to which the Administrative Agent will have access (or otherwise deliver to the Administrative Agent, including, without limitation, by electronic mail) of (i) any material amendment, restatement, supplement, waiver or other modification to any Material SkyMiles Agreement promptly (but in no case within thirty (30) days) upon the effectiveness of such amendment, restatement, supplement, waiver or other modification and (ii) any termination, cancellation or expiration received or delivered by a Loan Party with respect to a Material SkyMiles Agreement.

In no event shall the Administrative Agent be entitled to inspect, receive and make copies of materials, (i) except in connection with any enforcement or exercise of remedies, (A) that constitute non-registered SkyMiles Intellectual Property, non-financial Trade Secrets (including the SkyMiles Customer Data) or non-financial proprietary information, or (B) in respect of which disclosure to the Administrative Agent, any Collateral Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement (or would otherwise cause a breach or default thereunder) or (ii) that are subject to attorney client or similar privilege or constitute attorney work product or constitute Excluded Intellectual Property. The Borrowers agree to provide copies of any notices or any deliverables given or received under the Collateral Agency and Accounts Agreement to the Administrative Agent, including any notice or deliverable required to be provided to the Senior Secured Debt Representatives.

Subject to the next succeeding sentence, information delivered pursuant to this Section 5.01 to the Administrative Agent may be made available by the Administrative Agent to the Lenders by posting such information on the Syndtrak website on the Internet at

http://syndtrak.com. Information required to be delivered pursuant to this Section 5.01 by any Loan Party shall be delivered pursuant to Section 10.01 hereto. Information required to be delivered pursuant to this Section 5.01 (to the extent not made available as set forth above) shall be deemed to have been delivered to the Administrative Agent on the date on which Loyalty Co provides written notice to the Administrative Agent that such information has been posted on Delta's general commercial website on the Internet (to the extent such information has been posted or is available as described in such notice), as such website may be specified by Loyalty Co to the Administrative Agent from time to time. Information required to be delivered pursuant to this Section 5.01 shall be in a format which is suitable for transmission.

Any notice or other communication delivered pursuant to this Section 5.01, or otherwise pursuant to this Agreement, shall be deemed to contain material non-public information unless (i) expressly marked by a Loan Party as "PUBLIC", (ii) such notice or communication consists of copies of any Loan Party's public filings with the SEC or (iii) such notice or communication has been posted on Delta's general commercial website on the Internet, as such website may be specified by Loyalty Co to the Administrative Agent from time to time.

Delivery of reports, information and documents to the Collateral Administrator is for informational purposes only, and its receipt of such reports, information and documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including any Loan Party's or any other Person's compliance with any of its covenants under this Agreement or any other Loan Document. The Collateral Administrator shall have no liability or responsibility for the content, filing or timeliness of any report or other information delivered, filed or posted under or in connection with this Agreement, the other Loan Documents or the transactions contemplated hereunder or thereunder. For the avoidance of doubt, the Collateral Administrator shall have no duty to monitor or access any website of a Loan Party or any other Person referenced herein, shall not have any duty to monitor, determine or inquire as to compliance or performance by any Loan Party or any other Person of its obligations under this Section 5.01 or otherwise and the Collateral Administrator shall not be responsible or liable for any Loan Party's or any other Person's non-performance or non-compliance with such obligations.

Section 5.02 Taxes. Each Loan Party shall pay and discharge promptly all taxes, assessments, governmental charges, levies or claims imposed upon it or upon its income or profits or in respect of its property, before the same shall become more than ninety (90) days delinquent, except in each case where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; provided, however, that each Loan Party shall not be required to pay and discharge or to cause to be paid and discharged any such obligation, tax, assessment, charge, levy or claim so long as (i) the validity or amount thereof shall be contested in good faith by appropriate proceedings and (ii) each Loan Party shall have set aside on their books adequate reserves therefor in accordance with GAAP.

Section 5.03 [Reserved].

Section 5.04 Corporate Existence. Each Loan Party shall preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business except (a) if such failure to preserve the same could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (b) as otherwise permitted in connection with (i) sales of assets not restricted by Section 6.04 or (ii) mergers, liquidations and dissolutions permitted by Section 6.10.

Section 5.05 Compliance with Laws. Each Loan Party shall comply, and cause each of its Subsidiary Guarantors to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where such noncompliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. Delta will maintain in effect policies and procedures reasonably designed to promote compliance by Delta, its Subsidiaries and, when acting in such capacity, their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 5.06 Contribution of SkyMiles Intellectual Property. Delta shall contribute Intellectual Property and data to Loyalty Co pursuant to the Contribution Agreements from time to time so that at all times Delta and its Subsidiaries (other than Loyalty Co) would not be able to operate the SkyMiles Program in a manner materially consistent with the operation of the SkyMiles Program at such time, or any other similar airline loyalty program (other than a Permitted Acquisition Loyalty Program or Specified Minority Owned Program), without the rights granted to Delta with respect to such SkyMiles Intellectual Property under the IP Licenses.

Section 5.07 Special Purpose Entity. Other than as required or permitted by the Transaction Documents or the SkyMiles Agreements, the SPV Parties have not and shall not:

(a) engage in any business or activity other than (i) the purchase, receipt, management and sale of Collateral and Excluded Property; *provided* that in no event shall any SPV Party purchase, receive, manage or sell real property, (ii) the transfer and pledge of Collateral pursuant to the terms of the Collateral Documents and the Priority Lien Debt Documents and the Junior Lien Debt Documents, (iii) the entry into and the performance under the Transaction Documents and SkyMiles Agreements to which it is a party and (iv) such other activities as are incidental thereto;

(b) acquire or own any material assets other than (i) the Collateral and Excluded Property; *provided* that in no event shall any SPV Party acquire or own real property, or (ii) incidental property as may be necessary or desirable for the operation of any SPV Party and the performance of its obligations under the Transaction Documents and SkyMiles Agreements to which it is a party and the Priority Lien Debt Documents and the Junior Lien Debt Documents;

(c) except as permitted by this Agreement (i) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets, or (ii) change its legal structure, or jurisdiction of

incorporation, unless, in connection with any of the foregoing, such action shall result in the substantially contemporaneous occurrence of the Discharge of Senior Secured Debt Obligations;

(d) except as otherwise permitted under Section 5.07(c), fail to preserve its existence as an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(e) form, acquire or own any Subsidiary, own any Equity Interests in any other entity, or make any Investment in any Person other than to the extent permitted in its memorandum and articles;

(f) except as contemplated in the Senior Secured Debt Documents, commingle its assets with the assets of any of its Affiliates, or of any other Person;

(g) incur any Indebtedness other than (i) Indebtedness to the Secured Parties hereunder or in conjunction with a repayment of all or a portion of the Term Loans owed to the Lenders and a termination of all the Term Loan Commitments, (ii) any other Priority Lien Debt,
(iii) any Junior Lien Debt and (iv) ordinary course contingent obligations under or any terms thereof related to the SkyMiles Agreements (such as customary indemnities to fronting banks, administrative agents, collateral agents, depository banks, escrow agents, etc.);

(h) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due in the ordinary course of business;

(i) fail to maintain its records, books of account and bank accounts separate and apart from those of any other Person;

(j) enter into any contract or agreement with any Person, except (i) the Transaction Documents to which it is a party and the Priority Lien Debt Documents and the Junior Lien Debt Documents, (ii) organizational documents, (iii) SkyMiles Agreements or other co-branding, partnering or similar agreements, (iv) agreements between any SPV Party and Delta and/or its Subsidiaries substantially consistent with Delta's arrangements with its other Subsidiaries that (I) terminate upon such SPV Party ceasing to be a Subsidiary of Delta, (II) do not involve the payment of cash to or from such SPV Party, (III) are entered into for the primary purpose of managing the transfer and processing of data among the parties thereto and (IV) contain non-petition and nonrecourse covenants with respect to such SPV Party consistent with the provisions set forth in this Agreement, (v) intercompany agreements for loans from Loyalty Co to Delta permitted under Section 6.01, (vi) other contracts or agreements that (x) are upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's length basis with third parties other than such Person, (y) contain non-petition covenants with respect to such SPV Party consistent with the provisions set forth in this Agreement and (z) contain nonrecourse covenants with respect to such SPV Party consistent with the provisions set forth in this Agreement;

(k) seek its dissolution or winding up in whole or in part;

(l) fail to use commercially reasonable efforts to correct promptly any material known misunderstandings regarding the separate identities of any SPV Party, on the one hand, and any Affiliate or any principal thereof or any other Person, on the other hand;

(m) except pursuant to the Transaction Documents and SkyMiles Agreements, the Priority Lien Debt Documents and the Junior Lien Debt Documents guarantee, become obligated for, or hold itself out to be responsible for the Indebtedness of another Person;

(n) fail, in any material respect, either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business, solely in its own name in order not (i) to mislead others as to the identity of the Person with which such other party is transacting business, or (ii) to suggest that it is responsible for the Indebtedness of any third party (including any of its principals or Affiliates (other than as contemplated or required pursuant to the Transaction Documents or SkyMiles Agreements));

(o) fail, to the extent of its own funds (taking into account the requirements in the Transaction Documents and SkyMiles Agreements), to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(p) [reserved];

(q) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other Person; *provided* that the SPV Parties' assets may be included in a consolidated financial statement of its Affiliates so long as (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the SPV Parties from such Person and to indicate that the SPV Parties' assets and credit are not available to satisfy the Indebtedness and other obligations of such Person or any other Person except for Indebtedness incurred and other obligations pursuant to the Loan Documents, the Priority Lien Debt Documents and the Junior Lien Debt Documents and (ii) such assets shall also be listed on the SPV Parties' own separate balance sheet (in each case, subject to clause (y) below);

(r) fail to pay its own separate liabilities and expenses only out of its own funds (other than as contemplated under any Director Services Agreement);

(s) maintain, hire or employ any individuals as employees;

(t) acquire the obligations or securities issued by its Affiliates or members (other than (i) any equity interests of another SPV Party that is a Subsidiary of such SPV Party or (ii) intercompany loans permitted under Section 6.01);

(u) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(v) pledge its assets to secure the obligations of any other Person other than pursuant to the Loan Documents, the Priority Lien Debt Documents and the Junior Lien Debt Documents;

(w) fail to have such Independent Directors as are required pursuant Section 5.08;

(x) (i) institute proceedings to be adjudicated bankrupt or insolvent, (ii) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, provisional liquidator, assignee, trustee, sequestrator, collateral agent or any similar official for any SPV Party, (v) make any general assignment for the benefit of any SPV Party's creditors, (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action to approve any of the foregoing; or

(y) fail to file its own tax returns separate from those of any other Person, except to the extent that any SPV Party is treated as a disregarded entity for U.S. federal and applicable state and local income tax purposes.

Section 5.08 SPV Party Independent Directors. No SPV Party shall fail for five (5) consecutive Business Days to have the Required Number of Independent Directors (or 30 days in the case of such Independent Director's death, disability or resignation, provided that in the case of Loyalty Co, one Independent Director remains at Loyalty Co during such period). Each SPV Party agrees that no vote for a "Material Action" (as defined in the constitutional documents of such SPV Party) shall be held unless such SPV Party has the Required Number of Independent Directors at such time, all Required Number of Independent Directors are present for such vote and the affirmatively vote of all Independent Directors is required for such SPV Party to take such "Material Action."

Section 5.09 Regulatory Matters; Citizenship; Utilization; Collateral Requirements.
Delta will:

(a) maintain at all times its status as an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49;

(b) be a United States Citizen; and

(c) maintain at all times its status at the FAA as an "air carrier" and hold an air carrier operating certificate under Section 44705 of Title 49 and operations specifications

issued by the FAA pursuant to Parts 119 and 121 of Title 14 as currently in effect or as may be amended or recodified from time to time.

Section 5.10 Collateral Ownership. Subject to the provisions described (including the actions permitted) under Section 6 hereof, each Grantor will continue to maintain its interest in and right to use all property and assets so long as such property and assets constitute Collateral, except as would not reasonably be expected to result in a Material Adverse Effect.

Section 5.11 [Reserved].

Section 5.12 Guarantors; Grantors; Collateral.

(a) Delta shall take, and cause each Guarantor to take, such actions as are necessary in order to ensure that the obligations of the Loan Parties hereunder and under the other Loan Documents are guaranteed by all Guarantors.

(b) Delta and Loyalty Co shall, in each case at their own expense, (A) cause HoldCo 3 to become a Grantor and to become a party to each applicable Collateral Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Master Collateral Agent for the benefit of the Secured Parties in substantially all of its assets (other than Excluded Property), subject to and in accordance with the terms, conditions and provisions of the Loan Documents (it being understood that only Loyalty Co and HoldCo 3 shall be required to become Grantors and pledge their respective Collateral), (B) promptly execute and deliver (or cause such Grantor to execute and deliver) to the Administrative Agent and the Collateral Administrator such documents and take such actions to create, grant, establish, preserve and perfect the applicable priority Liens (subject to Permitted Liens) (including to obtain any release or termination of Liens not permitted under Section 6.06 and the filing of UCC financing statements, as applicable) in favor of the Master Collateral Agent for the benefit of the Secured Parties on such assets of any Grantor to secure the Obligations to the extent required under the applicable Collateral Documents or reasonably requested by the Administrative Agent or the Master Collateral Agent, and to ensure that such Collateral shall be subject to no other Liens other than Permitted Liens and (C) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent, for the benefit of the Secured Parties, the Master Collateral Agent, the Collateral Administrator and the Depositary, a customary written opinion of counsel (which counsel shall be reasonably satisfactory to the Administrative Agent) to such Grantor, as applicable, with respect to the matters described in clauses (A) and (B) hereof, in each case within twenty (20) Business Days after the addition of such Collateral.

Section 5.13 Access to Books and Records.

(a) The Borrowers shall maintain or cause to be maintained at all times true and complete books and records in all material respects in a manner consistent with GAAP in all material respects of the financial operations of the Borrowers and provide the Administrative Agent, Master Collateral Agent and their respective representatives and advisors reasonable

access to all such books and records (subject to requirements under any confidentiality agreements, if applicable, and excluding the SkyMiles Agreements), as well as any appraisals of the Collateral, during regular business hours, in order that the Administrative Agent and the Master Collateral Agent may upon reasonable prior notice and with reasonable frequency, but in any event, so long as no Event of Default has occurred and is continuing, no more than one (1) time per year, examine and make abstracts from such books, accounts, records, appraisals and other papers, and permit the Administrative Agent, the Master Collateral Agent and their respective representatives and advisors to confer with the officers of Delta and representatives (provided that Delta shall be given the right to participate in such discussions with such representatives) of Delta, all for the purpose of verifying the accuracy of the various reports delivered by the Borrowers to the Administrative Agent or the Lenders pursuant to this Agreement or for otherwise ascertaining compliance with this Agreement. All confidential or proprietary information obtained in connection with any such visit, inspection or discussion shall be held confidential by the Administrative Agent, the Master Collateral Agent and each agent or representative thereof and shall not be furnished or disclosed by any of them to anyone other than their respective bank examiners, auditors, accountants, agents and legal counsel, and except as may be required by any court or administrative agency or by any statute, rule, regulation or order of any Governmental Authority. None of Delta or any of its Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter pursuant to this Section 5.13, (i) except in connection with any enforcement or exercise of remedies, (A) that constitutes non-registered SkyMiles Intellectual Property, non-financial Trade Secrets (including the SkyMiles Customer Data) or non-financial proprietary information, including the SkyMiles Agreements, or (B) in respect of which disclosure to Administrative Agent or any Lender (or their respective designees or representatives) is prohibited by law or any binding agreement (or would otherwise cause a breach or default thereunder), or (ii) that is subject to attorney-client or similar privilege or constitutes attorney work product or constitutes Excluded Intellectual Property.

Section 5.14 Further Assurances.

(a) In each case, subject to the terms, conditions and limitations in the Loan Documents, each Loan Party shall execute any and all further documents and instruments, and take all further actions, that may be required or advisable under applicable law or that the Master Collateral Agent may reasonably request, in order to create, grant, establish, preserve, protect and perfect the validity, perfection and priority of the Liens and security interests created or intended to be created by the Collateral Documents, in each case to the extent required under this Agreement or the Collateral Documents.

(b) [Reserved.]

(c) Promptly after the date upon which it is permissible to transfer and assign any Specified Intellectual Property, the Loan Parties shall, if such Specified Intellectual Property is not transferred and assigned pursuant to an existing Contribution Agreement, execute and deliver one or more Contribution Agreements together with all further documents and

instruments that may be required and advisable, and take all further actions that may be required or advisable under applicable law or that the Master Collateral Agent may reasonably request, to transfer and assign all of the Loan Parties' right, title and interest in and to such Specified Intellectual Property to Loyalty Co, and shall promptly provide the Administrative Agent and the Master Collateral Agent copies of any such documents.

Section 5.15 Maintenance of Rating. The Loan Parties shall use commercially reasonable efforts to cause the Term Loans to be continuously rated (but not any specific rating) by the two (2) Rating Agencies that initially rated the Term Loans. The Loan Parties shall make commercially reasonable efforts to provide such Rating Agencies (at Delta's sole expense) such reports, records and documents as each shall reasonably request to monitor or affirm such ratings, except to the extent the disclosure of any such document or any such discussion would result in the violation of any Loan Party's contractual (including all confidentiality obligations set forth in the SkyMiles Agreements) or legal obligations; *provided* that the Loan Parties' failure to obtain such a rating after using commercially reasonable efforts shall not constitute an Event of Default.

Section 5.16 SkyMiles Program; SkyMiles Agreements.

(a) The Loan Parties (as applicable) agree to honor Miles according to the policies and procedure of the SkyMiles Program except to the extent that would not reasonably be expected to cause a Payment Material Adverse Effect.

(b) Each Loan Party shall take any action permitted under the SkyMiles Agreements and applicable law that it, in its reasonable business judgment, determines is advisable, in order to diligently and promptly (i) enforce its rights and any remedies available to it under the SkyMiles Agreements, (ii) perform its obligations under the SkyMiles Agreements and (iii) cause the applicable counterparties to perform their obligations under the related SkyMiles Agreements, including such counterparties' obligations to make payments to and indemnify the applicable Loan Parties in accordance with the terms thereof in each case except to the extent that would not reasonably be expected to cause a Payment Material Adverse Effect.

(c) Neither Delta nor Loyalty Co shall substantially reduce the SkyMiles Program business or modify the terms of the SkyMiles Program in any manner that would reasonably be expected to cause a Payment Material Adverse Effect.

(d) Delta shall not and shall not permit any of its Subsidiaries to change the policies and procedures of the SkyMiles Program in any manner that would reasonably be expected to cause a Payment Material Adverse Effect.

(e) Delta shall not and shall not permit any of its Subsidiaries to establish, create, or operate any Loyalty Program, other than a Permitted Acquisition Loyalty Program or a Specified Minority Owned Program, unless substantially all such Loyalty Program cash revenues (which excludes, for the avoidance of doubt, airline revenues such as ticket sales and baggage fees), accounts in which such cash revenue is deposited, Intellectual Property and member data

(but solely to the extent that such Intellectual Property and member data would be included in the definition of SkyMiles Intellectual Property, substituting references to the SkyMiles Program with references to such other Loyalty Program), and material third-party contracts and intercompany agreements, related to such Loyalty Program are transferred and held at Loyalty Co or a subsidiary thereof and pledged as Collateral on a first lien basis (except to the extent such revenues and assets constitute Excluded Property), subject to third party rights and Permitted Liens; *provided* that, for the avoidance of doubt, nothing shall prohibit Delta or any of its Subsidiaries from offering and providing discounts or other incentives (other than any Currency) for travel or carriage on Delta.

(f) The Loan Parties agree that, with respect to each SkyMiles Agreement entered into after the Closing Date (i) Loyalty Co shall be party to such SkyMiles Agreement and (ii) such SkyMiles Agreement shall (x) provide that payment made by the counterparty thereunder shall be made to Loyalty Co and deposited directly into the Collection Account and (y) permit Loyalty Co to grant a Lien on such SkyMiles Agreement to secure the Obligations.

(g) Notwithstanding anything to the contrary, with respect to any Permitted Acquisition Loyalty Program, each Loan Party shall be permitted to undertake any of the following actions at any time after such actions are permitted under the Material SkyMiles Agreements and applicable law:

(i) terminate the Permitted Acquisition Loyalty Program;

(ii) merge and consolidate the Permitted Acquisition Loyalty Program into the SkyMiles Program; or

(iii) cause the Permitted Acquisition Loyalty Program's cash revenues (which excludes airline revenues such as ticket sales and baggage fees) to be pledged as Collateral.

(h) For the avoidance of doubt, (i) until it is merged into or consolidated with the SkyMiles Program, any Permitted Acquisition Loyalty Program shall not be deemed part of the SkyMiles Program, its co-branding, partnering or similar agreements shall not constitute SkyMiles Agreements, and its customer data shall not constitute SkyMiles Customer Data and (ii) following a merger or consolidation of the Permitted Acquisition Loyalty Program into the SkyMiles Program, (A) none of the restrictions described in the definition of "Permitted Acquisition Loyalty Program" will continue to apply to the merged program, (B) the co-branding, partnering or similar agreements related to or entered into in connection with the Permitted Acquisition Loyalty Program shall become SkyMiles Agreements and (C) all rights, title and interest therein and the Permitted Acquisition Loyalty Program's cash revenues (which excludes airline revenues such as ticket sales and baggage fees) must be promptly pledged as Collateral.

(i) The Loan Parties agree that if, as of any Determination Date, the aggregate amount of cash revenues attributable to the Retained Agreements for the preceding four

Quarterly Reporting Periods (or, in the case of the first three Quarterly Reporting Periods, since the Closing Date) are greater than or equal to 5.0% of the SkyMiles Revenues for such period, (i) Delta shall promptly transfer (or cause to be transferred) its rights, title and interest in, to and under one or more Retained Agreements to Loyalty Co such that the aggregate amount of cash revenues produced by the Retained Agreements not so transferred is less than 5.0% of the SkyMiles Revenues in such period (on a pro forma basis) and shall deliver updates to Schedule 3.18 to list such transferred agreement(s) as SkyMiles Agreement(s) and (ii) upon the effectiveness of such transfer, such Retained Agreement(s) shall become SkyMiles Agreement(s).

(j) Loyalty Co shall have the exclusive right to issue Miles in connection with the SkyMiles Program, including any Miles purchased by Delta, SkyMiles members or any other third parties pursuant to SkyMiles Agreements, Retained Agreements, Delta Air Line Business Agreements or otherwise from Loyalty Co, Delta or any of its Affiliates, and neither Delta nor any of its Affiliates (other than Loyalty Co) shall engage in such activities. Delta shall purchase Miles from Loyalty Co in order to comply with its obligations under the SkyMiles Agreements, the Retained Agreements and the Delta Air Line Business Agreements. Loyalty Co shall issue Miles purchased by Delta in accordance with the Intercompany Agreements.

Section 5.17 [Reserved].

Section 5.18 [Reserved].

Section 5.19 Collections; Releases from Collection Account.

(a) Delta and Loyalty Co shall instruct and use commercially reasonable efforts to cause sufficient counterparties to SkyMiles Agreements to direct payments of Transaction Revenue into the Collection Account such that in any Quarterly Reporting Period, at least 90% of SkyMiles Revenues are deposited directly into the Collection Account.

(b) To the extent any Loan Party or any of their controlled Affiliates receives any payments of Transaction Revenues to an account other than the Collection Account, such Person shall cause such amounts to be deposited into the Collection Account within three (3) Business Days after receipt and identification thereof.

(c) Delta and HoldCo 3 shall make, and Loyalty Co shall ensure that, all payments payable to Loyalty Co pursuant to the Intercompany Agreements and the IP Licenses are made directly into the Collection Account.

Section 5.20 Minimum Liquidity. Delta shall not, at the close of any Business Day, permit the sum of (i) the aggregate amount of Unrestricted Cash and (ii) the aggregate principal amount committed and available to be drawn by Delta under all revolving credit facilities of Delta to be less than $2,000,000,000.

Section 5.21 Mandatory Prepayments. To the extent not applied in accordance with Section 2.12, the Borrowers shall cause an amount equal to the Net Proceeds from all transactions that result in mandatory prepayments pursuant to the terms of Section 2.12 to be deposited promptly into the Collection Account, which amounts shall be applied in accordance with the terms of Section 2.12.

Section 5.22 Privacy and Data Security. Except as would not reasonably be expected to result in a Material Adverse Effect, each applicable Loan Party shall maintain in effect commercially reasonable privacy and data security policies. Without limiting the generality of the foregoing, except as would not reasonably be expected to result in a Material Adverse Effect, each applicable Loan Party shall comply in all material respects, and shall cause each of its Subsidiaries and each of its Third Party Processors to be in compliance in all material respects, with (i) all internal privacy policies and privacy policies contained on any websites maintained by or on behalf of each such Loan Party or such Subsidiary and such policies are consistent with the actual practices of such entity, (ii) all Data Protection Laws with respect to Personal Data, including Data Protection Laws anywhere in the United States, the State of California, the Cayman Islands, the United Kingdom and the European Union and (iii) its contractual commitments and obligations regarding Personal Data.

SECTION 6.

NEGATIVE COVENANTS

From the date hereof and for so long as the Term Loan Commitments remain in effect or principal of or interest on any Term Loan is owing (or any other amount that is due and unpaid on the first date that none of the foregoing is in effect, outstanding or owing, respectively, is owing) to any Lender or the Administrative Agent hereunder:

Section 6.01 Restricted Payments.

(a) The SPV Parties shall not, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of any SPV Party's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation) or to the direct or indirect holders of any SPV Party's Equity Interests in their capacity as such;

(ii) purchase, redeem or otherwise acquire or retire for value any Equity Interests of any SPV Party; or

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness other than the Priority Lien Debt; or

(iv) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (i) through (iv) above being collectively referred to as "**Restricted Payments**"), other than solely with respect to:

(1) Restricted Payments (including the making of any intercompany loans, any payments in respect of intercompany debt or Junior Lien Debt or any payments with respect to Indebtedness in the nature of an "AHYDO catch up" payment with respect to any Indebtedness that constitutes an applicable high yield discount obligation) with amounts released to Loyalty Co under Section 2.10(b)(xi) of this Agreement or pursuant to Section 2.11 of the Collateral Agency and Accounts Agreement; and

(2) (i) the distribution of the proceeds of the Term Loans and the notes under the Indenture from Loyalty Co to HoldCo 3, (ii) the subsequent distribution of the proceeds of the Term Loans and the notes under the Indenture from HoldCo 3 to HoldCo 2, and (iii) the making of the Delta Intercompany Loan, in each case, on the Closing Date;

provided that notwithstanding anything to the contrary in this Agreement, other than funds released to Loyalty Co pursuant to clause (vi) of the priority of payments in Section 7.01, no SPV Party shall be permitted to make any Restricted Payment at any time when an Event of Default has occurred and is continuing.

Section 6.02 Incurrence of Indebtedness and Issuance of Preferred Stock. The SPV Parties shall not, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect any Indebtedness other than the following (and Delta shall not, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect any Indebtedness with respect to any Pre-paid Miles Purchase other than as set forth in clause (b) below):

(a) Junior Lien Debt; *provided* that (i) prior to the incurrence of such Junior Lien Debt, the Rating Agency Condition shall have been satisfied, (ii) no Event of Default or Early Amortization Event shall have occurred and be continuing or would result from the issuance of such Junior Lien Debt, (iii) to the extent that immediately after giving effect to the issuance of such Junior Lien Debt the aggregate outstanding amount of Junior Lien Debt would exceed $1.0 billion, the ratio of (A) (I) the aggregate outstanding amount of Junior Lien Debt (including such Junior Lien Debt being then issued) plus (II) the greater of (x) the then outstanding principal amount of Priority Lien Debt and (y) the Priority Lien Cap divided by (B) the sum of (x) the aggregate amount of Transaction Revenue received during the period of four consecutive Quarterly Reporting Periods ending on the most recent Determination Date, and (y) funds transferred to the Collection Account pursuant to Section 2.24 in connection with such Determination Date shall not exceed 1.60 to 1.00 on a pro forma basis and (iv) such Junior Lien

Debt shall not be incurred by or subject to a guarantee by any Subsidiary of Delta other than any SPV Party;

(b) Pre-paid Miles Purchases, so long as (i) the aggregate amount of Miles purchased in Pre-paid Miles Purchases or other Indebtedness incurred with respect to Pre-paid Miles Purchases does not exceed an amount equal to the result of (x) $550.0 million divided by
(y) the rate by which such Person purchases Miles from Delta as of the Closing Date, (ii) such sale is non-refundable and non-recourse to the SPV Parties, (iii) the Indebtedness related thereto is unsecured or secured by assets of Delta or its subsidiaries (other than the SPV Parties) that do not constitute Collateral and (iv) no Early Amortization Period or Event of Default is continuing at the time of such sale or would result therefrom;

(c) Indebtedness under this Agreement and Qualifying Note Debt and any Indebtedness issued in a Capital Markets Offering by the Borrowers; *provided* that (i) any such Indebtedness (other than with respect to clauses (A) and (B), customary bridge loans which, subject only to customary conditions (which shall be limited to no payment or bankruptcy event of default) would either automatically be converted into or required to be exchanged for long-term refinancing in the form of Incremental Term Loans permitted under (and subject to the requirements of) Section 2.27, Replacement Term Loans permitted under (and subject to the requirements of) Section 10.08 or Priority Lien Debt permitted under (and subject to the requirements of) this Section 6.02(c)), (A) shall have a maturity date not earlier than the Latest Maturity Date then in effect, (B) shall have a Weighted Average Life to Maturity thereof no shorter than the remaining Weighted Average Life to Maturity of the existing Term Loans or notes outstanding pursuant to this clause (c), and (C) shall not be subject to or benefit from any Guarantee by any Person other than a Loan Party, (ii) after giving effect to such Indebtedness, the outstanding principal amount of the Priority Lien Debt shall not exceed the Priority Lien Cap (plus, fees, expenses, premium and accrued interest in respect of any Indebtedness incurred pursuant to this Section 6.02(c) which refinances other Indebtedness of Loyalty Co permitted hereunder), (iii) prior to the issuance of any additional Indebtedness issued in a Capital Markets Offering after the initial issuance, the Rating Agency Condition shall have been satisfied, and (iv) in the case of the issuance of any additional Indebtedness issued in a Capital Markets Offering after the initial issuance, the terms and conditions governing such Indebtedness shall (x) be reasonably acceptable to the Administrative Agent or (y) be substantially similar to, or (taken as a whole) no more favorable (as reasonably determined by Loyalty Co) to the investors or holders providing such Indebtedness than those applicable to the then-outstanding Term Loans (except to the extent such terms are (I) conformed (or added) in the Loan Documents for the benefit of the Lenders holding then-outstanding Term Loans pursuant to an amendment hereto or thereto subject solely to the reasonable satisfaction of Loyalty Co and the Administrative Agent or (II) applicable solely to periods after the latest final maturity date of the Term Loans existing at the time of such incurrence) and (D) shall be issued pursuant to a single indenture (or one or more substantially similar indentures) for all such Indebtedness under this Section 6.02(c); *provided* that notwithstanding the foregoing, in no event shall such Indebtedness be subject to events of default resulting (either directly or through a cross-default or cross-acceleration provision) from the occurrence of any event described in the definition of "Parent Bankruptcy

Event" (or the occurrence of any such event with respect to any Subsidiary of Delta other than any SPV Party) except on the same terms as the then-outstanding Term Loans, (v) no Event of Default or Early Amortization Event shall have occurred and be continuing or would result from the issuance of such Indebtedness and (vi) other than in the case of the notes issued on the Closing Date, the pro forma Peak Debt Service Coverage Ratio (calculated using the Maximum Quarterly Debt Service of the then existing Term Loans and notes and such Indebtedness) as of the immediately preceding Determination Date, immediately after giving effect to the issuance of such Indebtedness shall be more than (i) for any date of determination prior to the Determination Date occurring in July 2022, 1.50 to 1:00, (ii) for any date of determination during the period beginning on or after the Determination Date occurring in July 2022 but excluding the Determination Date occurring in January 2023, 1.75 to 1:00 and (iii) for any date of determination occurring on or after the Determination Date in January 2023, 2.25 to 1:00;

(d) Indebtedness arising from customary indemnification or other similar obligations under the Loan Documents and the other agreements entered into on the Closing Date in connection therewith (or replacements or amendments thereto which are permitted under this Agreement); and

(e) Indebtedness otherwise permitted under Section 6.06.

Section 6.03 [Reserved].

Section 6.04 Disposition of Collateral. No Loan Party shall sell or otherwise Dispose of any Collateral (or, in the case of any SPV Party, any of its property or assets (including the Collateral)), including by way of any Sale of a Grantor, except for (i) a Permitted Disposition,
(ii) Permitted Pre-paid Miles Purchases in an aggregate amount not to exceed $550.0 million, and (iii) any other sale or Disposition (other than a Sale of a Grantor) of asset having a Fair Market Value in an aggregate amount not to exceed $25 million in any fiscal year; *provided* that, for the avoidance of doubt, it is acknowledged and agreed that Delta is not a Grantor hereunder.

Section 6.05 [Reserved].

Section 6.06 Liens. No Loan Party will directly or indirectly create, incur, assume or suffer to exist any Lien of any kind on any property or asset that constitutes Collateral or any Equity Interests in any SPV Party, in each case other than Permitted Liens; *provided* that, for the avoidance of doubt, it is acknowledged and agreed that Delta is not a Grantor hereunder. No SPV Party will directly or indirectly create, incur, assume or suffer to exist any Lien of any kind on any of its property or assets (including the Collateral) other than Permitted Liens.

Section 6.07 Business Activities. The SPV Parties shall not engage in any business other than Permitted Businesses.

Section 6.08 [Reserved].

Section 6.09 [Reserved].

Section 6.10 Merger, Consolidation, or Sale of Assets.

(a) Delta shall not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired) unless:

(1) immediately after giving effect thereto no Early Amortization Event, Default or Event of Default shall have occurred and be continuing;

(2) Delta is the surviving corporation or, if otherwise, (x) such other Person or continuing corporation (the "**Successor Company**") shall (A) be an "air carrier" within the meaning of Section 40102(a)(2) of Title 49, and hold a certificate under Section 41102(a)(1) of Title 49; (B) be a United States Citizen;(C) be an air carrier and hold an air carrier operating certificate and other operating authorizations issued by the FAA pursuant to 14 C.F.R. Parts 119 and 121 as currently in effect or as may be amended or recodified from time to time; and (D) except as specifically permitted herein or in the Collateral Documents, possess all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations, frequencies and consents which are material to the conduct of its business and operations as currently conducted, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and

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

Upon any consolidation or merger in accordance with this Section 6.10(a) in any case in which Delta is not the surviving corporation, the Successor Company shall succeed to, and be substituted for, and may exercise every right and power of, Delta under this Agreement with the same effect as if such Successor Company had been named as "Delta" herein. No such consolidation or merger shall have the effect of releasing Delta or any Successor Company

which theretofore shall have become a successor to Delta in the manner prescribed in this Section 6.10(a) from its liability with respect to any Loan Document to which it is a party.

(b) Delta shall not liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution).

(c) No SPV Party shall: (i) consolidate or merge with or into another Person, or permit any other Person to merge into or consolidate with it, or (ii) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of its properties, in one or more related transactions, to another Person.

Section 6.11 [Reserved].

Section 6.12 Direction of Payment. No Loan Party shall revoke, or permit to be revoked, any Direction of Payment.

Section 6.13 IP Agreements. The Loan Parties shall not terminate, amend, waive, supplement or otherwise modify any IP Agreement or any provision thereof or exercise any right or remedy under or pursuant to or under any IP Agreement, in each case, without the prior written consent of the Required Lenders if such termination, amendment, waiver, supplement or modification or exercise of remedies would reasonably be expected to result in a Material Adverse Effect; *provided* that (i) termination of any IP Agreement or any amendment to the termination provisions thereof, or (ii) any amendment to an IP Agreement that (A) materially and adversely affects rights to the SkyMiles Intellectual Property or rights to use SkyMiles Intellectual Property or in the case of the Contribution Agreements, rights to or rights to use other applicable Collateral, (B) shortens the scheduled term thereof, (C) in the case of any IP License, materially and adversely changes the amount or calculation of the termination payment, or the amount, calculation or rate of fees due and owing thereunder, (D) changes the contractual subordination of payments thereunder in a manner materially adverse to the Lenders, (E) reduces the frequency of payments thereunder to an SPV Party or permits payments due to an SPV Party thereunder to be deposited to an account other than the Collection Account, (F) changes the amendment standards applicable to such IP Agreement (other than changes affecting rights of the Administrative Agent or the Master Collateral Agent to consent to amendments, which is covered by clause (G)) in a manner that would reasonably be expected to result in a Material Adverse Effect or (G) materially impairs the rights of the Administrative Agent or the Master Collateral Agent to enforce or consent to amendments to any provisions thereof in accordance therewith shall, in each case, be deemed to have a Material Adverse Effect.

Section 6.14 Specified Organization Documents. No Loan Party shall amend, modify or waive any SPV Provision of any Specified Organization Document. No Loan Party shall amend, modify or waive any other provision of any Specified Organization Document in a manner materially adverse to the Lenders.

SECTION 7.

EVENTS OF DEFAULT AND EARLY AMORTIZATION EVENTS

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

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

(b) default shall be made in the payment of (i) any principal amount or premium of the Term Loans when and as the same shall become due and payable; (ii) any interest on the Term Loans and such default shall continue unremedied for more than 5 Business Days; or (iii) any other amount payable hereunder when due and such default shall continue unremedied for more than 10 Business Days after the earlier of (A) a Responsible Officer of Delta or Loyalty Co obtaining knowledge of such default or (B) receipt by a Borrower of notice from the Administrative Agent of such default; it being understood that if any default shall be made by any Loan Party in the due observance or performance of the covenants set in Section 5 shall not constitute a default subject to this Section 7.01(b); or

(c) default shall be made by any Loan Party in the due observance of (i) the covenants in Section 5.19, 5.20 or 5.21 and (ii) the covenant in Section 6.14 and such default shall continue unremedied for more than, in the cause of clause (i), 10 Business Days, and in the case of clause (ii), 20 Business Days, after the earlier of (A) a Responsible Officer of Delta or Loyalty Co obtaining knowledge of such default or (B) receipt by Delta or Loyalty Co of notice from the Administrative Agent of such default; or

(d) default shall be made by any Loan Party in the due observance or performance of any other covenant, condition or agreement to be observed or performed by it pursuant to the terms of this Agreement or any of the other Loan Documents and such default shall continue unremedied or uncured for more than 30 days (or 135 days in the case of Section 5.16(c) and (d)) after the earlier of (i) a Responsible Officer of Delta or Loyalty Co obtaining knowledge of such default or (ii) receipt by Delta or Loyalty Co of notice from the Administrative Agent of such default; *provided* that, if such Person is proceeding with diligence and good faith to cure or remedy such default and such default is susceptible to cure or remedy, such 30 day (or 135 days in the case of Section 5.16(c) and (d)) period shall be extended as may be necessary to cure such failure, such extended period not to exceed 90 days (or 150 days in the case of Section 5.16(c) and (d)) in the aggregate (inclusive of the original 30 day period (or the original 135 day period in the case of Section 5.16(c) and (d)); or

(e) (i) any material provision of any Loan Document to which a Loan Party is a party ceases to be a valid and binding obligation of such Loan Party, or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Document, (ii) the Lien on any material portion of the Collateral intended to be created by the Collateral Documents shall cease to be or shall not be a valid and perfected (to the extent required hereunder or under such Collateral Documents) Lien having the priorities contemplated thereby (subject to Permitted Liens and except as permitted by the terms of this Agreement or the Collateral Documents or as a result of the action, delay or inaction of the Administrative Agent) or (iii) the guaranty in Section 9 hereof shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of such guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of such guaranty, or any Guarantor shall deny that it has any further liability under such guaranty; *provided* that, in each case, unless any Loan Party shall have contested or challenged, other than good faith disputes regarding interpretation of contractual provisions, the validity, perfection or priority of, or attempted to invalidate, such liens or the validity or enforceability of a material provision of any Loan Document or material portion of any Collateral or guaranty document, such breach shall not be an Event of Default unless such breach continues unremedied or uncured for more than 30 Business Days after the earlier of (x) a Responsible Officer of a Delta or Loyalty Co obtaining knowledge of such default or (y) receipt by Borrowers of written notice from the Administrative Agent of such default; or

(f) any SPV Party:

(i) commences a voluntary case or procedure,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a receiver, trustee, liquidator, provisional liquidator, custodian, conservator or other similar official of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors,

(v) admits in writing its inability generally to, pay its debts as they become due, or

(vi) proposes or passes a resolution for its voluntary winding up or liquidation; or

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against any SPV Party;

(ii) appoints a receiver, trustee, liquidator, provisional liquidator, custodian, conservator or other similar official of any SPV Party or for all or substantially all of the property of any SPV Party;

(iii) commences proceedings for a compromise or arrangement with any SPV Party's creditors (or class or classes of creditors), or

(iv) orders the liquidation of any SPV Party;

and in each case the order or decree remains unstayed and in effect for 60 consecutive days; or

(h) failure by any Loan Party to pay one or more final judgments entered by a court or courts of competent jurisdiction aggregating in excess of $200 million (determined net of amounts covered by insurance policies issued by creditworthy insurance companies or by third party indemnities or a combination thereof), which judgments are not paid, discharged, bonded, vacated satisfied or stayed for a period of sixty (60) days; or

(i) (i) Delta shall default in the performance of any obligation relating to Material Indebtedness and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders shall have caused such Material Indebtedness to become due prior to its scheduled final maturity date or (ii) Delta shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements, any applicable grace periods shall have expired and such failure to make payment when due shall be continuing for a period of more than five (5) consecutive Business Days following the applicable scheduled final maturity date thereunder, in an aggregate principal amount at any time unpaid exceeding $200 million; *provided* that such payment default or acceleration resulting from any bankruptcy, insolvency or similar events with respect to Delta shall not constitute a default under this Section 7.01(i); *provided, further,* that if any such default shall be waived or cured (as evidenced by a writing from the applicable holder, agent or trustee) then, to the extent of such waiver or cure, the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon waived or cured; or

(j) (i) any SPV Party shall default in the performance of any obligation relating to Material Indebtedness and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders shall have caused, or shall be entitled or permit or have the right to cause, such Material Indebtedness to become due prior to its scheduled final maturity date or (ii) any SPV Party shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements of such SPV Party, any applicable grace periods shall have expired following the applicable scheduled final maturity date thereunder, in an aggregate principal amount at any time unpaid exceeding $200 million;

provided, further, that if any such default shall be waived or cured (as evidenced by a writing from the applicable holder, agent or trustee) then, to the extent of such waiver or cure, the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon waived or cured; or

(k) a termination of a Plan of any Loan Party pursuant to Section 4042 of ERISA that would reasonably be expected to result in a Material Adverse Effect; or

(l) (i) an exit from, or a termination or cancellation of, the SkyMiles Program or (ii) any termination, expiration or cancellation of (1) an Intercompany Agreement, (2) the Delta Intercompany Loan, (3) a Material SkyMiles Agreement for which, solely in the case of clause (3), (other than an Intercompany Agreement) a Permitted Replacement SkyMiles Agreement is not entered into as of the effective date of such termination, expiration or cancellation; or

(m) any Loan Party makes a Material Modification to a Material SkyMiles Agreement or the Delta Intercompany Loan without the prior written consent of the Master Collateral Agent (acting at the direction of the Required Debtholders); or

(n) any termination or cancellation of any IP License; or

(o) after the occurrence of a Parent Bankruptcy Event, any of the Delta Case Milestones shall cease to be met or complied with, as applicable; or

(p) a SPV Party Change of Control; or

(q) (i) failure of any SPV Party to maintain at least the Required Number of Independent Directors for more than five (5) consecutive Business Days (or 30 days in the case of such Independent Director's death, disability or resignation, provided that in the case of Loyalty Co, one Independent Director remains at Loyalty Co during such period), (ii) the removal of any Independent Director of any SPV Party without "cause" (as such term is defined in the organizational or constitutional documents of such SPV Party) or without giving prior written notice to the Administrative Agent, each as required in the organizational or constitutional documents of the related entity, or (iii) an Independent Director of any SPV Party that is not an Approved Independent Director shall be appointed without the consent of the Administrative Agent;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent shall, at the request of the Required Lenders, by written notice to the Borrowers (with a copy to the Master Collateral Agent and the Collateral Administrator), take one or more of the following actions, at the same or different times:

A. terminate forthwith the Term Loan Commitments;

B. declare the Term Loans or any portion thereof then outstanding to be forthwith due and payable, whereupon the principal of the Term Loans and other Obligations and all other liabilities of the Borrowers accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding;

C. [Reserved];

D. set-off amounts in any accounts (other than accounts pledged to secure other Indebtedness of any Loan Party, Escrow Accounts, Payroll Accounts or other accounts held in trust for an identified beneficiary maintained with the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or the Depositary (or any of their respective affiliates) and apply such amounts to the obligations of the Loan Parties hereunder and in the other Loan Documents; and

E. subject to the terms of the Loan Documents, exercise any and all remedies under the Loan Documents and under applicable law available to the Administrative Agent, the Collateral Administrator, the Master Collateral Agent and the Lenders.

In case of any event described in clause (f), (g) or (o) of this Section 7.01, the actions and events described in clauses (A) , (B) and (C) above shall be required or taken automatically, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Loan Parties. Subject to the terms of the Collateral Agency and Accounts Agreement, after the occurrence and during the continuance of any Event of Default, any Available Funds and other amounts received, including any amounts realized upon enforcement of any Collateral Documents or any payments, recoveries or distributions received in any proceeding under any Bankruptcy Laws including adequate protection and Chapter 11 plan distributions, to the extent received by the Collateral Administrator from the Master Collateral Agent as the Term Loans' Pro Rata Share thereof shall be applied by the Collateral Administrator as follows:

(i) *first*, (x) ratably, to (i) the Depositary and the Master Collateral Agent, the amount of Fees, costs, expenses, reimbursements and indemnification amounts due and payable to such Agents pursuant to the terms of the Loan Documents and (ii) the Collateral Administrator, the amount of Fees, costs, expenses, reimbursements and indemnification amounts due and payable to the Collateral Administrator pursuant to the term of the Loan Documents, and *then* (y) to the Administrative Agent, the amount of Fees, costs, expenses, reimbursements and indemnification amounts due and payable to the Administrative Agent pursuant to the terms of the Loan Documents and *then* (z) ratably, the Term Loans' Pro Rata Share of fees, expenses and other amounts due and owing to any Independent Director of any SPV Party (to the extent not otherwise paid);

(ii) *second*, to the Administrative Agent, on behalf of the Lenders, any due and unpaid interest on the Term Loans;

(iii) *third*, to the Administrative Agent, on behalf of the Lenders in an amount equal to the amount necessary to pay the outstanding principal balance of the Term Loans in full;

(iv) *fourth*, to pay to the Administrative Agent on behalf of the Lenders, any additional Obligations then due and payable, including any Premium;

(v) *fifth*, until all Priority Lien Debt is paid in full, to the Master Collateral Agent to be maintained in the Collection Account or distributed in accordance with the Collateral Agency and Accounts Agreement; and

(vi) *sixth,* all remaining amounts shall be released to or at the direction of Loyalty Co.

Section 7.02 Early Amortization Event. In the case of the happening of any Early Amortization Event, the Administrative Agent may, and at the direction of the Required Lenders shall, by notice to the Borrowers, provide written notice to the Borrowers that an Early Amortization Event has occurred.

SECTION 8.
THE AGENTS

Section 8.01 Administration by Agents.

(a) Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto. Each of the Lenders hereby irrevocably appoints the Master Collateral Agent to act on its behalf as the Master Collateral Agent hereunder and under the Collateral Documents and authorizes the Master Collateral Agent to take such actions on its behalf and to exercise such powers as are delegated to the Master Collateral Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Each of the Lenders hereby irrevocably appoints the Collateral Administrator to act on its behalf as the Collateral Administrator hereunder and authorizes the Collateral Administrator to take such actions on its behalf and to exercise such powers as are delegated to the Collateral Administrator by the terms hereof, together with such actions and powers as are reasonably incidental thereto. The Collateral Administrator shall be the Senior Secured Debt Representative (as defined in the Collateral Agency and Accounts Agreement) on behalf of the Lenders and the other Secured Parties. For any Act of Required Debtholders under the Collateral Agency and Accounts Agreement, the Collateral Administrator shall take instruction from the Administrative Agent (on behalf of the Required Lenders) hereunder (which such instruction shall include a certification by the Administrative Agent as to the aggregate principal amount of the Term Loans represented by such instruction).

(b) Each of the Lenders hereby authorizes the Administrative Agent, the Collateral Administrator and the Master Collateral Agent, as applicable, and in their sole discretion:

(i) to execute (or direct the execution of) any documents or instruments or take any other actions reasonably requested by the Loan Parties to release a Lien granted to the Master Collateral Agent, for the benefit of the Secured Parties, on any asset that is part of the Collateral of the Loan Parties (A) upon the payment in full of all Obligations (except for contingent obligations in respect of which a claim has not yet been made), (B) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted by the terms of this Agreement or under any other Loan Document to a Person that is not a Loan Party, (C) as to the extent provided in the Collateral Documents, or (D) if approved, authorized or ratified in writing in accordance with Section 10.08;

(ii) to determine that the cost to either Borrower or any other Grantor, as the case may be, is disproportionate to the benefit to be realized by the Secured Parties by perfecting a Lien in a given asset or group of assets included in the Collateral and that such Borrower or such other Grantor, as the case may be, should not be required to perfect such Lien in favor of the Master Collateral Agent, for the benefit of the Secured Parties;

(iii) to enter into the other Loan Documents on terms acceptable to the Administrative Agent, the Collateral Administrator and the Master Collateral Agent and to perform its respective obligations thereunder;

(iv) [reserved];

(v) to enter into (or direct the entrance into) any Intercreditor Agreement or intercreditor and/or subordination agreements in accordance herewith, including Section 6.06, on terms reasonably acceptable to the Administrative Agent, and in each case to perform its obligations thereunder and to take such action and to exercise the powers, rights and remedies granted to it thereunder and with respect thereto; and

(vi) to enter into (or direct the entrance into) any other agreements reasonably satisfactory to the Administrative Agent granting Liens to the Master Collateral Agent, for the benefit of the Secured Parties, on any assets of Loyalty Co or any other Grantor to secure the Obligations.

(c) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (i) be obligated to ascertain, monitor or inquire as to whether any Lender or prospective Lender is a Disqualified Lender or (ii) have any liability

with respect to or arising out of any assignment of Term Loans, or disclosure of confidential information to any Disqualified Lenders.

(d) Concurrently herewith, the Administrative Agent directs the Master Collateral Agent and the Master Collateral Agent is authorized to enter into the Collateral Documents and any other related agreements in the form delivered to the Master Collateral Agent. For the avoidance of doubt, all of the Master Collateral Agent's rights, protections and immunities provided herein shall apply to the Master Collateral Agent for any actions taken or omitted to be taken under the Collateral Documents and any other related agreements in such capacity.

Section 8.02 Rights of Administrative Agent and the Other Agents. Any institution serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its respective Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate of Delta as if it were not an Agent hereunder. The rights, privileges, protections, indemnities, immunities and benefits given to the Collateral Administrator are extended to, and shall be enforceable by, (i) the Collateral Administrator in each Loan Document and each other document related hereto to which it is a party and (ii) the entity acting as the Collateral Administrator in each of its capacities hereunder and under the other Loan Documents and any related document whether or not specifically set forth therein.

Section 8.03 Liability of Agents.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in any other applicable Loan Document. Without limiting the generality of the foregoing, (i) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether an Early Amortization Event or an Event of Default has occurred and is continuing, (ii) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08), (iii) except as expressly set forth herein, no Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of Delta's Subsidiaries that is communicated to or obtained by the institution serving as an Agent or any of its Affiliates in any capacity and (iv) no Agent will be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt, any action that may be in violation of the automatic stay under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect. No Agent shall be liable for any action taken or not taken by it with the consent of, or

at the request of (i) the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.08) or (ii) in the case of the Collateral Administrator and the Master Collateral Agent, the Administrative Agent, or (B) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent, the Collateral Administrator nor the Master Collateral Agent shall be deemed to have knowledge of any Early Amortization Event, Event of Default or Default unless and until written notice thereof is given to the Administrative Agent, the Collateral Administrator or the Master Collateral Agent, respectively, by, in the case of the Administrative Agent or the Collateral Administrator, any Borrower or a Lender or, in the case of the Master Collateral Agent, the Administrative Agent, and neither Administrative Agent, the Collateral Administrator nor the Master Collateral Agent shall be responsible for, or have any duty to ascertain or inquire into, (A) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (B) the contents of any certificate, report or other document delivered hereunder or in connection herewith or in connection with any other Loan Document, (C) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document or related document, (D) the validity, enforceability, effectiveness, value, sufficiency or genuineness of this Agreement or any other agreement, instrument or document or any Collateral or security interest, or (E) the satisfaction of any condition set forth in Section 4 or elsewhere herein or in any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(b) Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for Delta or the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

(c) Each Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of any Agent and any such sub-agent, and shall apply to their respective activities as such Agent. Neither the Master Collateral Agent nor the Collateral Administrator shall be responsible for the acts or omissions of any such sub-agent appointed with due care.

(d) The following additional rights and protections shall be applicable to the Master Collateral Agent and the Collateral Administrator in connection with this Agreement, the other Loan Documents and any related document:

(i) Neither the Master Collateral Agent nor the Collateral Administrator shall have any liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts.

(ii) Nothing in this Agreement or any other Loan Document shall require the Master Collateral Agent or the Collateral Administrator to expend or risk its own funds or otherwise incur any liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder.

(iii) Neither the Master Collateral Agent nor the Collateral Administrator shall be under any obligation to exercise any of the rights or powers vested in it by this Agreement or any other Loan Document at the request or direction of the Administrative Agent or the Lenders, unless such Person shall have offered to the Master Collateral Agent or the Collateral Administrator, as applicable, security or indemnity (satisfactory to the Master Collateral Agent or the Collateral Administrator, as applicable, in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction.

(iv) Notwithstanding anything to the contrary herein or in any other Transaction Document, neither the Collateral Administrator nor the Master Collateral Agent shall be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement and any other Loan Document to which it is a party, whether or not an original or a copy of such agreement has been provided to the Collateral Administrator or the Master Collateral Agent, as applicable, and shall not be subject to, or bound by, the terms and provisions of any documents to which it is not a party.

(v) In the event that any Collateral shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Collateral, each of the Master Collateral Agent and the Collateral Administrator is hereby expressly authorized, each in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Master Collateral Agent or the Collateral Administrator obeys or complies with any such writ, order or decree it shall not be liable to any of the Loan Parties or to any other Person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(vi) The Master Collateral Agent and the Collateral Administrator shall be entitled to request and receive written instructions from the Administrative Agent and shall have no responsibility or liability to the Lenders for any losses or damages of any nature that may arise from any action taken or not taken by the Master Collateral Agent or the Collateral Administrator in accordance with the written direction of the Administrative Agent.

(vii) The Master Collateral Agent and the Collateral Administrator may request, rely on and act in accordance with Officer's Certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such Officer's Certificates and opinions of counsel.

(viii) If any conflict, disagreement or dispute arises between, among, or involving any of the parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Agreement or any other Loan Document, or the Master Collateral Agent or the Collateral Administrator is in doubt as to the action to be taken hereunder, the Master Collateral Agent or the Collateral Administrator may, at its option, after sending written notice of the same to the Administrative Agent, refuse to act until such time as it (a) receives a final non-appealable order of a court of competent jurisdiction directing delivery of the Collateral or otherwise regarding such matter or (b) receives a written instruction, executed by each of the parties involved in such disagreement or dispute, in a form reasonably acceptable to the Master Collateral Agent or the Collateral Administrator, as applicable, directing delivery of the Collateral or otherwise regarding such matter. The Master Collateral Agent and the Collateral Administrator will be entitled to act on any such written instruction or final, non-appealable order of a court of competent jurisdiction without further question, inquiry or consent. The Master Collateral Agent and the Collateral Administrator may file an interpleader action in a state or federal court, and upon the filing thereof, the Master Collateral Agent or the Collateral Administrator will be relieved of all liability as to the Collateral and will be entitled to recover reasonable and documented out-of-pocket attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action.

(ix) Neither the Collateral Administrator nor the Master Collateral Agent shall be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics, pandemics or similar health crises; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications

service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(x) Neither the Master Collateral Agent nor Collateral Administrator shall have any obligation to give, execute, deliver, file, record, authorize or obtain any financing statements, notices, instruments, documents, agreements, consents or other papers as shall be necessary to (i) create, preserve, perfect or validate the security interest granted to the Master Collateral Agent or the Collateral Administrator pursuant to this Agreement or any other Loan Document or any related document or (ii) enable the Master Collateral Agent or the Collateral Administrator to exercise and enforce its rights under this Agreement or any other Loan Document or any related document with respect to such pledge and security interest.

(xi) For purposes of clarity, but without limiting any rights, protections, immunities or indemnities afforded to the Master Collateral Agent or the Collateral Administrator hereunder (including without limitation in this Section 8) and under the other Loan Documents, phrases such as "satisfactory to the Master Collateral Agent or the Collateral Administrator," "approved by the Master Collateral Agent or the Collateral Administrator," "acceptable to the Master Collateral Agent or the Collateral Administrator," "as determined by the Master Collateral Agent or the Collateral Administrator," "in the Master Collateral Agent's or the Collateral Administrator's discretion," "selected by the Master Collateral Agent or the Collateral Administrator," "elected by the Master Collateral Agent or the Collateral Administrator," "requested by the Master Collateral Agent or the Collateral Administrator," and phrases of similar import that authorize or permit the Master Collateral Agent or the Collateral Administrator to approve, disapprove, determine, act or decline to act in its discretion shall be subject to the Master Collateral Agent or the Collateral Administrator, as applicable, receiving written direction from the Administrative Agent to take such action or to exercise such rights.

(e) Anything herein to the contrary notwithstanding, the Lead Arrangers listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

Section 8.04 Reimbursement and Indemnification. Each Lender agrees (a) to reimburse on demand the Administrative Agent (and the Collateral Administrator, the Master Collateral Agent and the Depositary) for such Lender's Aggregate Exposure Percentage of any expenses and fees incurred for the benefit of the Lenders under this Agreement and any of the Loan Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, and any other expense incurred in

connection with the operations or enforcement thereof, not reimbursed by the Loan Parties and (b) to indemnify and hold harmless the Administrative Agent, the Collateral Administrator and the Master Collateral Agent and any of their Related Parties, on demand, in the amount equal to such Lender's Aggregate Exposure Percentage, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it or any of them in any way relating to or arising out of this Agreement or any of the Loan Documents or any action taken or omitted by it or any of them under this Agreement or any of the Loan Documents to the extent not reimbursed by the Loan Parties (except such as shall result from its own gross negligence or willful misconduct).

Section 8.05 Successor Agents.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrowers (with a copy to the Collateral Administrator and the Master Collateral Agent). Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent (provided no Event of Default has occurred and is continuing) of the Borrowers (such consent not to be unreasonably withheld or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders with the consent of the Borrowers (such consent not to be unreasonably withheld or delayed)) (the "**Resignation Effective Date**"), then the retiring Administrative Agent may (but shall not be obligated to), in consultation with the Borrowers, on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. For the avoidance of doubt, whether or not a successor Administrative Agent has been appointed, the retiring Administrative Agent's resignation shall nonetheless become effective in accordance with such notice of resignation on the Resignation Effective Date. With effect from the Resignation Effective Date, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (b) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article 8 and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its

sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as the Administrative Agent.

(b) The Collateral Administrator may at any time resign at any time upon at least 30 days' prior written notice to the Borrowers and the Administrative Agent; *provided* that, no resignation of the Collateral Administrator will be permitted unless a successor Collateral Administrator has been appointed. Promptly after receipt of notice of the Collateral Administrator's resignation, the Administrative Agent shall promptly appoint a successor Collateral Administrator (which successor Collateral Administrator shall be reasonably acceptable to the Required Lenders and, so long as no Event of Default under Section 7.01(b), (f), (g) or (o) has occurred and is continuing, the Borrowers) by written instrument, copies of which instrument shall be delivered to the Borrowers, the Master Collateral Agent, the resigning Collateral Administrator and to the successor Collateral Administrator. In the event no successor Collateral Administrator shall have been appointed within 30 days after the giving of notice of such resignation, the Collateral Administrator may petition any court of competent jurisdiction to appoint a successor Collateral Administrator. The Administrative Agent upon at least 30 days' prior written notice to the Collateral Administrator and the Borrowers, may with or without cause remove and discharge the Collateral Administrator or any successor Collateral Administrator thereafter appointed from the performance of its duties under this Agreement. Promptly after giving notice of removal of the Collateral Administrator, the Administrative Agent shall appoint, or petition a court of competent jurisdiction to appoint, a successor Collateral Administrator (which successor Collateral Administrator shall be reasonably acceptable to the Required Lenders and, so long as no Event of Default under Section 7.01(b), (f), (g) or (o) has occurred and is continuing, the Borrowers). Any such appointment shall be accomplished by written instrument and a copy shall be delivered to the Collateral Administrator and the successor Collateral Administrator, the Borrowers and the Master Collateral Agent.

(c) The Master Collateral Agent may resign, and in any such event shall be replaced, in accordance with the terms of the Collateral Agency and Accounts Agreement.

(d) In the event that the Depositary shall no longer have the deposit rating necessary for the Payment Account and Reserve Account to be Eligible Deposit Accounts, Loyalty Co shall be permitted to and shall promptly, and in any event within 30 days (as such deadline may be extended by the Master Collateral Agent (acting at the direction of the Collateral Controlling Party)) of (A) a Responsible Officer of Delta or Loyalty Co obtaining knowledge of such ratings change or (B) receipt by a Borrower of notice from the Administrative Agent of such ratings change, move the Payment Account and the Reserve Account, as applicable, to a depository institution (i) selected by Loyalty Co that that has the deposit rating necessary for the Payment Account and Reserve Account to be Eligible Deposit Accounts or (ii) that is otherwise approved by the Administrative Agent, and will cause such depositary institution to execute an Account Control Agreement.

Section 8.06 Independent Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Master Collateral Agent, the Collateral Administrator or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or any Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Section 8.07 Advances and Payments.

(a) On the date of each Term Loan, the Administrative Agent shall be authorized (but not obligated) to advance, for the account of each of the Lenders, the amount of the Term Loan to be made by it in accordance with its Term Loan Commitment hereunder. In such event, if a Lender has not in fact made its share of the applicable Term Loan available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith upon written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrowers to, but excluding, the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or
(ii) in the case of the Borrowers, the Interest Rate otherwise applicable to such Term Loan. If such Lender pays such amount to the Administrative Agent, then (x) such amount shall constitute such Lender's Term Loan included in such Term Loan and the Borrowers shall not be obligated to repay such amount pursuant to the preceding sentence if not previously repaid and
(y) if such amount was previously repaid by the Borrowers, the Administrative Agent shall promptly make a corresponding amount available to the Borrowers.

(b) Any amounts received by the Administrative Agent in connection with this Agreement (other than amounts to which the Administrative Agent is entitled pursuant to Sections 2.19, 8.04 and 10.04), the application of which is not otherwise provided for in this Agreement, shall be applied in accordance with Section 2.10(b). All amounts to be paid to a Lender by the Administrative Agent shall be credited to that Lender, after collection by the Administrative Agent, in immediately available funds either by wire transfer or deposit in that Lender's correspondent account with the Administrative Agent, as such Lender and the Administrative Agent shall from time to time agree.

Section 8.08 Sharing of Setoffs. Each Lender agrees that, except to the extent this Agreement expressly provides for payments to be allocated to a particular Lender, if it shall, through the exercise either by it or any of its banking Affiliates of a right of banker's lien, setoff or counterclaim against a Borrower or a Guarantor, including, but not limited to, a secured claim under Section 506 of the Bankruptcy Code or other security or interest arising from, or in lieu of, such secured claim and received by such Lender (or any of its banking Affiliates) under any

applicable bankruptcy, insolvency or other similar law, or otherwise, obtain payment in respect of its Term Loans as a result of which the unpaid portion of its Term Loans is proportionately less than the unpaid portion of the Term Loans of any other Lender (a) it shall promptly purchase at par (and shall be deemed to have thereupon purchased) from such other Lender a participation in the Term Loans of such other Lender, so that the aggregate unpaid principal amount of each Lender's Term Loans and its participation in Term Loans of the other Lenders shall be in the same proportion to the aggregate unpaid principal amount of all Term Loans then outstanding as the principal amount of its Term Loans prior to the obtaining of such payment was to the principal amount of all Term Loans outstanding prior to the obtaining of such payment and (b) such other adjustments shall be made from time to time as shall be equitable to ensure that the Lenders share such payment pro-rata, *provided* that if any such non-pro-rata payment is thereafter recovered or otherwise set aside, such purchase of participations shall be rescinded (without interest). Each Loan Party expressly consents to the foregoing arrangements and agrees, to the fullest extent permitted by law, that any Lender holding (or deemed to be holding) a participation in a Term Loan acquired pursuant to this Section or any of its banking Affiliates may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by a Loan Party to such Lender as fully as if such Lender was the original obligee thereon, in the amount of such participation. The provisions of this Section 8.08 shall not be construed to apply to (a) any payment made by a Loan Party pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Term Loans or other Obligations owed to it or (c) any payment made by a Loan Party pursuant to the Fee Letter.

Section 8.09 Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any withholding tax applicable to such payment. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender for any reason, or the Administrative Agent has paid over to the Internal Revenue Service applicable withholding tax relating to a payment to a Lender but no deduction has been made from such payment, without duplication of any indemnification obligations set forth in Section 8.04, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with any expenses incurred.

Section 8.10 Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrowers, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties and all powers, rights, and remedies under the Senior Secured Debt Documents (as defined in the Collateral Agency and Accounts Agreement) may be exercised solely by the Master Collateral Agent, in each case to the extent

permitted by applicable law and in accordance with the terms hereof, the other Loan Documents and the other Senior Secured Debt Documents (as defined in the Collateral Agency and Accounts Agreement), and (ii) in the event of a foreclosure by the Master Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Master Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Master Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Master Collateral Agent at such sale or other disposition.

Section 8.11 Intercreditor Agreements Govern. The Administrative Agent and each other Secured Party (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Collateral Administrator to enter into each intercreditor agreement (including each Intercreditor Agreement) entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof and (c) hereby authorizes and instructs the Collateral Administrator to enter into any intercreditor agreement that includes, or to amend any then existing intercreditor agreement to provide for, the terms described in the definition of "Junior Lien Debt". In the event of any conflict or inconsistency between the provisions of each intercreditor agreement (including any Intercreditor Agreement) and this Agreement, the provisions of such intercreditor agreement shall control in all respects. With respect to any reference in this Agreement to another intercreditor agreement, subordination agreement or arrangement reasonably acceptable to the Administrative Agent and the Borrowers' (or other similar description), Administrative Agent and the Collateral Administrator hereby agree to, and each Secured Party and each Lender hereby directs the Administrative Agent to, negotiate with the Borrowers in good faith and promptly (and in any event not later than ten (10) Business Days following written request by the Borrowers) enter into such other intercreditor or subordination agreement that is reasonably acceptable to the Administrative Agent (such acceptance not to be unreasonably withheld, conditioned, delayed or denied) upon request by the Borrowers.

Each Lender hereby agrees (i) that all Obligations will be and are secured equally and ratably by all Priority Liens (as defined in the Collateral Agency and Account Agreement) at any time granted by any Grantor to the Master Collateral Agent to secure any obligations in respect of any other Series of Senior Secured Debt (as defined in the Collateral Agency and Account Agreement), whether or not upon property otherwise constituting Collateral, and that all such Priority Liens will be enforceable by the Master Collateral Agent for the benefit of all holders of Senior Secured Debt Obligations (as defined in the Collateral Agency and Account Agreement) equally and ratably; and (ii) that each Lender is bound by the provisions of the Collateral Agency and Account Agreement, including the provisions relating to the ranking of Priority Liens and the order of application of proceeds from enforcement of Priority Liens; and each Lender

consents to the terms of the Collateral Agency and Account Agreement and the Master Collateral Agent's performance of, and directing the Master Collateral Agent to perform its obligations under, the Collateral Agency and Account Agreement and the other Senior Secured Debt Documents.

Section 8.12 Master Collateral Agent as Beneficiary. Without limitation of the terms of the Collateral Agency and Account Agreement, the parties hereto agree that the Master Collateral Agent is a third party beneficiary of Sections 8.02, 8.03 and 8.04, and any other terms hereof which operate to the benefit of the Master Collateral Agent, with full rights to enforce the same and no such term may be amended, modified or waived in any respect that would be materially adverse to the Master Collateral Agent without its written consent.

SECTION 9.

GUARANTY

Section 9.01 Guaranty.

(a) Each of the Guarantors unconditionally and irrevocably guarantees on a senior basis the due and punctual payment by the Borrowers of the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of the obligor whether or not post filing interest is allowed in such proceeding) (collectively, the "**Guaranteed Obligations**"). Each of the Guarantors further agrees that, to the extent permitted by applicable law, the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and it will remain bound upon this guaranty notwithstanding any extension or renewal of any of the Obligations. The Obligations of the Guarantors shall be joint and several. Each of the Guarantors further agrees that its guaranty hereunder is a primary obligation of such Guarantor and not merely a contract of surety.

(b) To the extent permitted by applicable law, each of the Guarantors waives presentation to, demand for payment from and protest to the Borrowers or any Guarantor, and also waives notice of protest for nonpayment. The obligations of the Guarantors hereunder shall not, to the extent permitted by applicable law, be affected by (i) the failure of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or a Lender to assert any claim or demand or to enforce any right or remedy against any Loan Party under the provisions of this Agreement or any other Loan Document or otherwise; (ii) any extension or renewal of any provision hereof or thereof; (iii) any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of any of the Loan Documents; (iv) the release, exchange, waiver or foreclosure of any security held by the Master Collateral Agent or the Collateral Administrator for the Obligations or any of them; (v) the failure of the Administrative Agent or a Lender to exercise any right or remedy against any other Guarantor; or (vi) the release or substitution of any Collateral or any other Guarantor.

(c) To the extent permitted by applicable law, each of the Guarantors further agrees that this guaranty constitutes a guaranty of payment when due and not just of collection,

and waives any right to require that any resort be had by the Administrative Agent, the Collateral Administrator, the Master Collateral Agent, the Depositary or a Lender to any security held for payment of the Obligations or to any balance of any deposit, account or credit on the books of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or a Lender in favor of any Borrower or any other Guarantor, or to any other Person.

(d) To the extent permitted by applicable law, each of the Guarantors hereby waives any defense that it might have based on a failure to remain informed of the financial condition of the Borrowers and of any other Guarantor and any circumstances affecting the ability of the Borrowers to perform under this Agreement.

(e) To the extent permitted by applicable law, each Guarantor's guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any other instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this guaranty (other than payment in full in cash of the Obligations in accordance with the terms of this Agreement (other than those that constitute unasserted contingent indemnification obligations)). None of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or any of the Lenders makes any representation or warranty in respect to any such circumstances or shall have any duty or responsibility whatsoever to any Guarantor in respect of the management and maintenance of the Obligations.

(f) Upon the occurrence of the Obligations becoming due and payable (by acceleration or otherwise), the Lenders shall be entitled to immediate payment of such Obligations by the Guarantors upon written demand by the Administrative Agent.

(g) The Guarantors hereby irrevocably agree that the obligations of each Guarantor hereunder are limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the Bankruptcy Code.

Section 9.02 No Impairment of Guaranty. To the extent permitted by applicable law, the obligations of the Loan Parties hereunder shall not be subject to any reduction, limitation or impairment for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, other than pursuant to a written agreement in compliance with Section 10.08 and shall not be subject to any defense or set-off, counterclaim, netting, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations. To the extent permitted by applicable law, without limiting the generality of the foregoing, the obligations of any Loan Party hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent or a Lender to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement, by any waiver or modification of any provision hereof or thereof, by any default, failure or delay, willful or otherwise, in the performance of the

Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of such Loan Party or would otherwise operate as a discharge of such Loan Party as a matter of law.

Section 9.03 Continuation and Reinstatement, Etc. Each Guarantor further agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, any Lender or any other Secured Party upon the bankruptcy or reorganization of a Borrower or a Guarantor, or otherwise.

Section 9.04 Subrogation; Fraudulent Conveyance.

(a) Upon payment by any Guarantor of any sums to the Administrative Agent, the Collateral Administrator, the Master Collateral Agent, the Depositary or a Lender hereunder, all rights of such Guarantor against the Borrowers arising as a result thereof by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior payment in full of all the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of an obligor whether or not post filing interest is allowed in such proceeding). If any amount shall be paid to such Guarantor for the account of the Borrowers relating to the Obligations prior to payment in full of the Obligations, such amount shall be held in trust for the benefit of the Administrative Agent, the Collateral Administrator, the Master Collateral Agent and the Lenders and shall forthwith be paid to the Administrative Agent, the Collateral Administrator, the Master Collateral Agent, the Depositary and the Lenders to be credited and applied to the Obligations, whether matured or unmatured. Each Loan Party hereby agrees that (1) all Indebtedness and other payment obligations owed to Delta by Loyalty Co or any other SPV Party shall be subordinate and junior in right of payment to (and not subject to setoff, netting or recoupment prior to) the prior payment in full of all the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or of reorganization of an obligor whether or not post filing interest is allowed in such proceeding); *provided* that, in the case of clauses (1) above, so long as no Event of Default shall have occurred and be continuing and neither the Required Lenders nor the Administrative Agent has provided written direction to cease such payments, any payments in respect of such Indebtedness and other payment obligations shall not be prohibited (to the extent not otherwise prohibited under any Loan Document); and (2) all Indebtedness and other payment obligations owed by Delta to Loyalty Co or any other SPV Party shall not be subordinated or junior in right of payment to, and shall rank pari passu with, any other indebtedness or payment obligations of Delta. Notwithstanding anything in this paragraph to the contrary, in no event will setoff or netting apply with respect to amounts due from any Loan Party to Loyalty Co (or any other SPV Party) pursuant any Intercompany Agreement, the Delta Intercompany Note or any IP Agreement or with respect to funds such Loan Party has received pursuant to any SkyMiles Agreement.

(b) Each Guarantor, and by its acceptance of this Agreement, the Master Collateral Agent and each other Secured Party, hereby confirms that it is the intention of all such Persons that this Agreement and the Obligations of each Guarantor hereunder not constitute a

fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guaranties hereunder and the Obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Master Collateral Agent, the other Secured Parties and the Guarantors hereby irrevocably agree that the Obligations of each Guarantor under the guaranties hereunder at any time shall be limited to the maximum amount as will result in the Obligations of such Guarantor under this guaranty not constituting a fraudulent transfer or conveyance.

SECTION 10.

MISCELLANEOUS

Section 10.01 Notices.

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

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

(ii) If to any SPV Party, to it at c/o Delta Air Lines, Inc., 1030 Delta Boulevard, Atlanta, GA 30354, Attention of: (x) Treasurer, Dept. 856, Telecopier No.: (404) 715-3110, Telephone No.: (404) 715-5993 and (y) Chief Legal Officer, Dept. 971, Telecopier No.: (404) 715-2233, Telephone No.: (404) 715-2191;

(iii) if to the Administrative Agent, (A) with respect to any notice provided under Section 2, to it at: 400 Jefferson Park, Whippany, NJ 07981, Attn.: Manish Sharma Suresh, email: xraUSLoanOps5@barclayscapital.com, Telephone No.: +91 044 66943348 and (B) with respect to any other notice, to it at: 745 Seventh Avenue, New York, NY 10001, Attn: Charlie Goetz, email: Charlie.goetz@barclays.com, Telephone No.: 212-526-4454;

(iv) if to the Collateral Administrator, to it at U.S. Bank National Association, 1349 W Peachtree St. NW, Suite 1050, Atlanta, GA 30309,

Attention: J. David Dever, Telecopier No.: 404-898-8844, Telephone No.: 404-965-7280; and

(v) if to any Lender, to it at its address (or telecopy number) set forth in, (A) in the case of each initial Lender, in its administrative questionnaire in a form as the Administrative Agent may require and (B) in the case of any other Lender, its Assignment and Acceptance.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrowers may, in their reasonable discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications; *provided further* that no such approval shall be required for any notice delivered to the Administrative Agent by electronic mail pursuant to Section 2.13(a).

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 10.02 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Loan Party without such consent shall be null and void), *provided* that the foregoing shall not restrict any transaction permitted by Section 6.10, and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.02. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (d) of this Section 10.02) and, to the extent expressly contemplated hereby, the Related Parties of the Administrative Agent, the Master Collateral Agent, the Collateral Administrator, the Depositary and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement; *provided further* that the Master Collateral Agent and the Depositary shall be express third party beneficiaries of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under

this Agreement (including all or a portion of the Term Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee, and no consent of the Administrative Agent shall be required for an assignment of Term Loans to the Borrowers in accordance with Section 10.02(g); and

(B) the Borrowers; *provided* that no consent of the Borrowers shall be required for an assignment (I) if an Event of Default under Section 7.01(b), 7.01(f), 7.01(g) or 7.01(o) has occurred and is continuing, (II) if the assignee is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender, in each case so long as such assignee is an Eligible Assignee, or (III) of Term Loans by any of the Lead Arrangers or any of its Affiliates as part of the primary syndication of the Term Loans (as determined by the Lead Arrangers) as previously consented to in writing (including by email) by the Borrowers, in each case so long as such assignee is an Eligible Assignee; *provided*, *further* that the Borrowers' consent to any assignment of Term Loans will be deemed given with respect to a proposed assignment if no response is received within ten (10) Business Days after having received a written request from such Lender pursuant to this Section 10.02(b);

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

(A) any assignment of any portion of the Term Loan Commitment and Term Loans shall be made to an Eligible Assignee;

(B) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund of a Lender or an assignment of the entire remaining amount of the assigning Lender's Term Loan Commitments or Term Loans, the amount of such Term Loan Commitments or Term Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1.0 million, and after giving effect to such assignment, the portion of the Term Loan or Term Loan Commitment held by the assigning Lender of the same tranche as the assigned portion of the Term Loan or Term Loan Commitment shall not be less than $1.0 million, in each case, unless the Borrowers and the Administrative Agent otherwise consent; *provided*, that any such assignment shall be in increments of $500,000 in excess of the minimum amount described above;

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

(D) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500 for the account of the Administrative Agent (except in the case of assignments made by or to Barclays Bank PLC, Goldman Sachs Lending Partners LLC or any of their respective affiliates);

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

(F) notwithstanding anything to the contrary herein, any assignment of any Term Loans to the Borrowers shall be subject to the requirements of Section 10.02(g).

For the purposes of this Section 10.02(b), the term "**Approved Fund**" shall mean with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers or manages such Lender.

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

(iii) The Administrative Agent shall maintain at its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and principal amount (and stated

interest) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Loan Parties, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower and any Lender (only with respect to such Lender's Term Loans), at any reasonable time and from time to time upon reasonable prior notice.

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

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

(c) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed administrative questionnaire in a form as the Administrative Agent may require (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in clause (b) of this Section 10.02 and any written consent to such assignment required by clause (b) of this Section 10.02, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04, 8.04 or 10.04(d), the Administrative Agent shall have no obligation to accept

such Assignment and Acceptance and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (c).

(d) (i) Any Lender may, without the consent of the Borrowers or the Administrative Agent, sell participations to one or more banks or other entities (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Term Loan Commitment and the Term Loans); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; and (D) such Participant is not a Defaulting Lender, Disqualified Lender or any Affiliate thereof. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.08(a) that affects such Participant, to the extent that such Lender participating such interest would be entitled to vote. Subject to Section 10.02(d)(ii), the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.14 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.02(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 8.08 as though it were a Lender, *provided* such Participant agrees to be subject to the requirements of Section 8.08 as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Term Loans or other obligations under this Agreement (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Term Loan Commitments, Term Loans or its other obligations under this Agreement or any Loan Document) except to the extent that such disclosure is necessary to establish that such Term Loan Commitment, Term Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender, the Loan Parties and the Administrative Agent shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary. A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant and shall be subject to the terms of Section 2.18(a). The Lender selling the participation to such Participant shall be subject to the terms of Section 2.18(b) if such Participant requests compensation or additional

amounts pursuant to Section 2.14 or 2.16. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.16 unless such Participant agrees, for the benefit of the Borrowers, to comply with Sections 2.16(f), 2.16(g) and 2.16(h) as though it were a Lender.

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

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.02, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Loan Parties furnished to such Lender by or on behalf of any Loan Party; *provided* that prior to any such disclosure, each such assignee or participant or proposed assignee or participant provides to the Administrative Agent its agreement in writing to be bound for the benefit of the Borrowers by either the provisions of Section 10.03 or other provisions at least as restrictive as Section 10.03.

(g) Notwithstanding anything to the contrary contained herein, (x) any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to any Borrower and (y) any Borrower may, from time to time, purchase or prepay Term Loans, in each case, on a non-pro rata basis through (1) Dutch auction procedures open to all applicable Lenders in accordance with customary procedures to be mutually agreed between the Borrowers and the Administrative Agent or (2) open market purchases; *provided* that:

(i) any Term Loans or Term Loan Commitments acquired by any Borrower shall be immediately and automatically retired and cancelled concurrently with the acquisition thereof;

(ii) no assignment of Term Loans to any Borrower may occur while an Event of Default has occurred and is continuing hereunder;

(iii) in connection with each assignment pursuant to this Section 10.02(g), none of Delta or Loyalty Co purchasing any Lender's Term Loans shall be required to make a representation that it is not in possession of material nonpublic information with respect to the Borrowers and their respective Subsidiaries or their respective securities, and all parties to such transaction may render customary "big boy" letters to each other (or to the auction agent, if applicable);

(iv) in the case of any Term Loans (A) acquired by, or contributed to, any Borrower and (B) cancelled and retired in accordance with this Section 10.02(g), (1) the aggregate outstanding principal amount of the Term Loans of the applicable Class shall be deemed reduced by the full par value of the aggregate principal amount of such Term Loans acquired by such Person and (2) any scheduled principal repayment installments with respect to the Term Loans of such Class occurring pursuant to Section 2.10 prior to the final maturity date for Term Loans of such Class, shall be reduced pro rata by the par value of the aggregate principal amount of Term Loans so purchased or contributed (and subsequently cancelled and retired), with such reduction being applied solely to the remaining Term Loans of the Lenders which sold or contributed such Term Loans; and

(v) assignment to any Borrower and cancellation of Term Loans in connection with a Dutch auction or open market purchases shall not constitute a mandatory or voluntary payment for purposes of Section 2.12 or 2.13.

(h) Disqualified Lenders.

(i) No participation or assignment, shall be made or sold to any Person that was a Disqualified Lender as of the date (the "**Trade Date**") on which the applicable Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrowers have consented to such assignment as otherwise contemplated by this Section 10.02, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Lender after the applicable Trade Date (including as a result of the delivery of a notice pursuant to the definition of "Disqualified Lender"), (x) such assignee shall not retroactively be disqualified from becoming a Lender in respect of the Term Loans it holds or has entered into an agreement to purchase as of such notice and (y) the execution by the Borrowers of an Assignment and Acceptance with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Any assignment in violation of this clause (h)(i) shall not be void, but the other provisions of this clause (h) shall apply.

(ii) If any assignment is made to any Disqualified Lender without the Borrowers' prior consent in violation of clause (i) above, the Borrowers may, at their sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) in the case of outstanding Term Loans held by Disqualified Lenders, prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Term Loans, in each case plus accrued interest (other than Default Interest), accrued fees and all other amounts (other than principal amounts or premiums) payable to it hereunder and under the other Loan Documents and/or

(B) require such Disqualified Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in this Section 10.02), all of its interest, rights and obligations under this Agreement and related Loan Documents to an Eligible Assignee that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and other the other Loan Documents; *provided* that (i) the Borrowers shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.02(b) and (ii) such assignment does not conflict with applicable laws.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to the Lenders by the Loan Parties, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Bankruptcy Laws ("**Plan of Reorganization**"), each Disqualified Lender party hereto hereby agrees (1) not to vote on such Plan of Reorganization, (2) if such Disqualified Lender does vote on such Plan of Reorganization notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Bankruptcy Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan of Reorganization in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Bankruptcy Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrowers hereby expressly authorize the Administrative Agent, to (A) post the list of Disqualified Lenders provided by the Borrowers and any updates thereto from time to time (collectively, the "**DQ List**") on the Syndtrak site or other deal platform for the Facility, including that portion of the Syndtrak site or other deal platform for

the Facility that is designated for "public side" Lenders or (B) provide the DQ List to each Lender requesting the same.

Section 10.03 Confidentiality. Each Lender and each Agent agrees to keep any information delivered or made available by (or on behalf of) any Loan Party to it confidential, in accordance with its customary procedures, from anyone other than Persons employed or retained by such Lender, Agent or their respective Affiliates who are or are expected to become engaged in evaluating, approving, structuring, insuring or administering the Term Loans, and who are advised by such Lender or Agent of the confidential nature of such information; *provided* that nothing herein shall prevent any Lender or Agent from disclosing such information (a) to any of its Affiliates and its and their respective agents, directors and advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential) or to any other Lender (*provided* that such Lender shall be responsible for such recipient's compliance with this Section 10.03), (b) upon the order of any court or administrative agency, (c) upon the request or demand of any regulatory agency or authority (including any self-regulatory authority), (d) which has been publicly disclosed other than as a result of a disclosure by the Administrative Agent or any Lender which is not permitted by this Agreement or other confidentiality obligations owed to Delta or any of its Subsidiaries, (e) in connection with any litigation to which any Agent, any Lender, or their respective Affiliates may be a party to the extent reasonably required under applicable rules of discovery, (f) to the extent reasonably required in connection with the exercise of any remedy hereunder, (g) to such Lender's or Agent's legal counsel, independent auditors, accountants and other professional advisors, (h) on a confidential basis to (I) any Rating Agency in connection with rating Delta and its Subsidiaries or any Facility, (II) any direct or indirect provider of credit protection to such Lender or its Affiliates (or its brokers) (other than a Disqualified Lender or any other Person to whom the Borrowers have refused to consent to an assignment) (*provided* that such Lender shall be responsible for such recipient's compliance with this Section 10.03) and (III) market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders after the Closing Date and in connection with the administration and management of the Facility (*provided* that such information is limited to the existence of this Agreement and information about the Facility that is customarily shared for facilities of this type), (i) with the prior consent of the Borrowers, (j) to any actual or proposed participant or assignee of all or part of its rights hereunder (other than a Disqualified Lender or any other Person to whom the Borrowers have refused to consent to an assignment) or to any direct or indirect contractual counterparty (or the legal counsel, independent auditors, accountants and other professional advisors thereto) to any swap or derivative transaction relating to the Borrowers and their obligations, in each case, subject to the proviso in Section 10.02(f) (with any reference to any assignee or participant set forth in such proviso being deemed to include a reference to such contractual counterparty for purposes of this Section 10.03(j)), (k) to the extent that such information is received by such Lender or Agent from a third party that is not, to such Lender's or Agent's knowledge, subject to confidentiality obligations to a Borrower or any of its Affiliates and (l) to the extent that such information is independently developed by such Lender or Agent. If any Lender or Agent is in any manner requested or required to disclose any of the information delivered or made available to it by any

Loan Party under clauses (b) or (e) of this Section 10.03, such Lender or Agent will, to the extent permitted by law, provide the Loan Parties with prompt notice, to the extent reasonable, so that the Loan Parties may seek, at their sole expense, a protective order or other appropriate remedy or may waive compliance with this Section 10.03.

Section 10.04 Expenses; Indemnity; Damage Waiver.

(a) (i) The Borrowers shall, jointly and severally, pay or reimburse:

(1) all reasonable fees and reasonable out-of-pocket expenses of the Administrative Agent, the Master Collateral Agent, the Collateral Administrator, the Depositary and the Lead Arrangers (in the case of legal counsel and other advisors, limited to the reasonable fees, disbursements and other charges of (i) Milbank LLP, special counsel to the Administrative Agent, (ii) Smith, Gambrell & Russell, LLP, special counsel to the Master Collateral Agent, the Collateral Administrator and the Depositary, (iii) local counsel in each material jurisdiction and (iv) other advisors that are approved by the Borrowers so long as no Event of Default has occurred or is continuing) associated with the syndication of the credit facility provided herein and the preparation, execution, delivery and administration of the Loan Documents and (in the case of the Administrative Agent) any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including the reasonable fees and out-of-pocket, documented expenses of one outside counsel for the Administrative Agent with respect thereto and one outside counsel for the Master Collateral Agent, the Collateral Administrator and the Depositary collectively, and with respect to advising the Administrative Agent as to its rights and remedies under this Agreement (and, in the case of an actual or perceived conflict of interest or potential conflict of interest no more than the number of additional law firms as counsel for the various parties as is necessary to avoid any such actual or potential conflict of interest);

(2) in connection with any enforcement of the Loan Documents, all reasonable and documented fees and out-of-pocket expenses of the Administrative Agent, the Master Collateral Agent, the Collateral Administrator, the Depositary and the Lenders (limited to the reasonable fees, disbursements and other charges of (x) in the case of legal counsel, one outside counsel for the Administrative Agent, and one outside counsel for the Lenders, collectively, and one outside counsel for the Master Collateral Agent and the Collateral Administrator, collectively, and if necessary regulatory and local counsel in each material jurisdiction and, in the case of an actual or perceived conflict of interest or potential

conflict of interest no more than the number of additional law firms as counsel for the various parties as is necessary to avoid any such actual or potential conflict of interest and (y) other advisors);

(3) all reasonable, documented, out-of-pocket costs, expenses, taxes, assessments and other charges (including the reasonable fees, disbursements and other charges of counsel for the Administrative Agent, the Master Collateral Agent and the Collateral Administrator) incurred by the Administrative Agent, the Master Collateral Agent and the Collateral Administrator in connection with any filing, registration, recording or perfection of any security interest contemplated by any Loan Document or incurred in connection with any release or addition of Collateral after the Closing Date; and

(4) all costs and expenses related to acquiring the ratings of the Term Loans from the Rating Agencies, including any monitoring fees of the Rating Agencies in respect of the rating of the Term Loans.

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

(b) The Borrowers shall, jointly and severally, indemnify each Agent, each Lead Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (limited in the case of legal fees and expenses, to one (1) outside counsel to all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest, an additional counsel to all such similarly situated affected Indemnitees)) incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Term Loan or the use of the proceeds therefrom, (iii) in connection with clauses (i) and (ii) above, any Release of Hazardous Materials on or from any property owned or operated by Delta or any of its Subsidiaries, or any Environmental Liability related to or asserted against Delta or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by Delta, its equity holders, affiliates or creditors or any other Person; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to (x) have resulted from the material breach of the obligations of such Indemnitee under the Loan Documents or the gross negligence or willful misconduct of such Indemnitee or (y) arise from

disputes solely among the Indemnitees (other than any dispute involving claims against any Person in its capacity as an Agent or similar role hereunder) that do not involve an act or omission by Delta or any of its Subsidiaries. For the avoidance of doubt, no Indemnitee shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final non-appealable judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnitee. This Section 10.04(b) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim.

(c) [Reserved].

(d) To the extent that the Borrowers fail to pay any amount required to be paid by it to the Administrative Agent, the Master Collateral Agent or the Collateral Administrator under paragraph (a) or (b) of this Section 10.04, each Lender severally agrees to pay to the Administrative Agent, the Master Collateral Agent or the Collateral Administrator such portion of the unpaid amount equal to such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Master Collateral Agent or the Collateral Administrator in its capacity as such.

(e) To the extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions or any Term Loan or the use of the proceeds thereof; *provided* that nothing in this clause (e) shall relieve any party of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

Section 10.05 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

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

shall, to the extent permitted by law, be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

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

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

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

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

Section 10.08 Amendments, Etc.

(a) Except as set forth in Sections 2.09 and Section 2.27 or as otherwise set forth in this Agreement, no modification, amendment or waiver of any provision of this Agreement or any Collateral Document (other than any Account Control Agreement and the Security Agreement, each of which may be amended in accordance with its terms), and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrowers and the Required Lenders (or signed by the Administrative Agent or the Collateral Administrator with the consent of the Required Lenders), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given; *provided*, *however*, that no such modification or amendment shall without the prior consent of:

(i) each Lender directly and adversely affected thereby (A) increase the Term Loan Commitment of such Lender or extend the termination date of the Term Loan Commitment of such Lender (it being understood that a waiver of any Default, Event of Default or mandatory repayment required under this Agreement shall not constitute an increase in or extension of the termination date of the Term Loan Commitment of a Lender), (B) reduce the principal amount or premium, if

any, of any Term Loan, or the rate of interest payable thereon (*provided* that only the consent of the Required Lenders shall be necessary for a waiver of Default Interest referred to in Section 2.08) or (C) extend any scheduled date for the payment of principal, interest or Fees hereunder or to reduce such percentage of any Fees payable hereunder or extend the scheduled final maturity of the Borrowers' obligations hereunder;

(ii) all of the Lenders (A) amend or modify any provision of this Agreement which provides for the unanimous consent or approval of the Lenders to reduce such percentage or (B) release all or substantially all of the Liens granted to the Master Collateral Agent or the Collateral Administrator hereunder or under any other Collateral Document (except to the extent contemplated hereby or by the terms of a Collateral Document), or release all or substantially all of the Guarantors;

(iii) the Lenders holding at least 66.67% of the total Term Loan Commitments and/or applicable Term Loans (A) for the release of liens on Collateral (other than as permitted hereunder or under any Loan Document), (B) to release any guarantees of this Facility (other than as permitted hereunder or under any Loan Document), (C) to amend, waive or otherwise modify Section 6.14, or (D) for any shortening or subordinating of term or reduction in liquidated damages under any IP License;

(iv) in connection with an amendment expressly permitted hereunder that addresses solely a repricing transaction in which any Class of Term Loan Commitments and/or Term Loans is refinanced with a replacement Class of Term Loan Commitments and/or Term Loans bearing (or is modified in such a manner such that the resulting Term Loan Commitments and/or Term Loans bear) a lower effective yield, any Lender holding Term Loan Commitments and/or Term Loans subject to such permitted repricing transaction that will continue as a Lender in respect of the repriced Class of Term Loan Commitments and/or Term Loans or modified Class of Term Loan Commitments and/or Term Loans;

(v) the applicable Required Class Lenders in connection with an amendment to Section 2.10, Section 2.17 or the last paragraph of Section 7.01 that directly and materially adversely affect the rights of Lenders holding Term Loan Commitments or Term Loans of one Class differently from the rights of Lenders holding Term Loan Commitments or Term Loans of any other Class;

(vi) all Lenders under any Class, change the application of prepayments as among or between Classes under Section 2.12 which is being allocated a lesser repayment or prepayment as a result thereof (it being understood that if additional Classes of Term Loans or additional Term Loans under this Agreement consented to by the Required Lenders or additional Term Loans permitted hereby are made,

such new Term Loans may be included on a pro rata basis in the various prepayments required pursuant to Section 2.12); and

(vii) all Lenders, reduce the percentage specified in the definition of "Required Lenders" or "Required Class Lenders" or otherwise amend this Section 10.08 in a manner that has the effect of changing the number or percentage of Lenders that must approve any modification, amendment, waiver or consent;

provided, *further*, that any Collateral Document may be amended, supplemented or otherwise modified with the consent of the applicable Grantor and the Master Collateral Agent or Collateral Administrator, as applicable, (i) to add assets (or categories of assets) to the Collateral covered by such Collateral Document or (ii) to remove any asset or type or category of asset (including after-acquired assets of that type or category) from the Collateral covered by such Collateral Document to the extent being or having been sold or transferred to the extent the release thereof is permitted by the Loan Documents.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon the Borrowers, the other Loan Parties, such Lenders, the Administrative Agent, the Master Collateral Agent, the Collateral Administrator and all future holders of the affected Term Loans. In the case of any waiver, the Borrowers, the other Loan Parties, the Lenders, the Administrative Agent, the Master Collateral Agent and the Collateral Administrator shall be restored to their former positions and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

In addition, notwithstanding the foregoing, this Agreement (and, as appropriate, the other Loan Documents) may be amended with the written consent of the Administrative Agent (not to be unreasonably withheld or delayed), the Borrowers and the Lenders providing the relevant Replacement Term Loans as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrowers (x) to permit the refinancing, replacement or modification of all outstanding Term Loans of any Class ("**Refinanced Term Loans**") with a replacement term loan tranche ("**Replacement Term Loans**") hereunder and (y) to include appropriately the Lenders holding such credit facilities in any determination of Required Lenders; *provided* that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans (plus an amount equal to all accrued but unpaid interest, fees, premiums, and expenses incurred in connection therewith (including original issue discount, upfront fees and similar items)) unless otherwise permitted hereunder (including utilization of any other available baskets or incurrence based amounts), (b) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the remaining Weighted Average Life to Maturity of such Refinanced Term

Loans (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Term Loans) or any other then existing Priority Lien Debt at the time of such refinancing, except in the case of customary bridge loans which, subject only to customary conditions (which shall be limited to no payment or bankruptcy event of default), would either automatically be converted into or required to be exchanged for long-term refinancing in the form of additional Replacement Term Loans permitted under (and subject to the requirements of) this Section 10.08 or Priority Lien Debt permitted under (and subject to the requirements of) Section 6.02(c), (c) the maturity date for such Replacement Term Loans shall be on or after the Latest Maturity Date, except in the case of customary bridge loans which, subject only to customary conditions (which shall be limited to no payment or bankruptcy event of default), would either automatically be converted into or required to be exchanged for long-term refinancing in the form of additional Replacement Term Loans permitted under (and subject to the requirements of) this Section 10.08 or Priority Lien Debt permitted under (and subject to the requirements of) Section 6.02(c), (d) prior to the incurrence of such Replacement Term Loans, the Rating Agency Condition shall have been satisfied, (e) after giving effect to the incurrence of such Replacement Term Loans no Event of Default or Early Amortization Event shall have occurred and be continuing and (f) the covenants, events of default and guarantees shall (i) be reasonably acceptable to the Administrative Agent or (ii) be substantially similar to, or (taken as a whole) not be materially more restrictive on the SPV Parties (as reasonably determined by Loyalty Co) when taken as a whole, than the terms of the Refinanced Term Loans (except for (1) covenants, events of default and guarantees applicable only to periods after the Latest Maturity Date (as of the date of the refinancing) of such Class of Refinanced Term Loans and (2) pricing, fees, rate floors, premiums, optional prepayment or redemption terms) unless the Lenders under the other Classes of Term Loans existing on the refinancing date (other than the Refinanced Term Loans), receive the benefit of such more restrictive terms; *provided* that in no event shall such Replacement Term Loans be subject to events of default resulting (either directly or through a cross-default or cross-acceleration provision) from the occurrence of any event described in the definition of "Parent Bankruptcy Event" (or the occurrence of any such event with respect to any Subsidiary of Delta other than any SPV Party) except on the same terms as the then-outstanding Term Loans.

The Lenders hereby irrevocably agree that the Liens granted to the Master Collateral Agent by the Loan Parties on any Collateral shall be automatically released (i) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Loan Party, to the extent such sale or other disposition is made in compliance with the terms of the Collateral Documents (and the Master Collateral Agent shall rely conclusively on a certificate and/or opinion of counsel to that effect provided to it by any Loan Party, including upon its reasonable request without further inquiry), (ii) to the extent such Collateral is comprised of property leased to a Loan Party, upon termination or expiration of such lease, (iii) if the release of such Lien is approved, authorized or ratified in writing by Lenders holding at least 66.67% of the total Term Loan Commitments and/or applicable Term Loans, (iv) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Master Collateral Agent pursuant to the Collateral Documents and (v) if such assets become Excluded Property.

Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Loan Documents. The Lenders hereby authorize the Administrative Agent and the Master Collateral Agent, as applicable, to, and the Administrative Agent and the Master Collateral Agent agree to, promptly execute and deliver any instruments, documents, and agreements necessary or desirable or reasonably requested by the Borrowers to evidence and confirm the release of any Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

Notwithstanding anything herein to the contrary, the Loan Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto, and (ii) if applicable, add or modify "parallel debt" language in any jurisdiction in favor of the Master Collateral Agents or add Master Collateral Agents, in each case under (i) and (ii), with the consent of only the Borrowers, the Administrative Agent and in the case of clause (ii), the applicable Master Collateral Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 10.08) or any other Loan Document to the contrary, (i) this Agreement and the other Loan Documents may be amended to effect an incremental facility, refinancing facility or extension facility in accordance with Sections 2.27, this Section 10.08 or Section 2.28, respectively, and the Administrative Agent and the Borrowers may effect such amendments to this Agreement and the other Loan Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the terms of any such incremental facility, refinancing facility or extension facility, including in the case of any such incremental facility to create such facility as a fungible Class of Term Loans (including by increasing (but, for the avoidance of doubt, not be decreasing), the amount of amortization due and payable with regard to any Class of Term Loans); (ii) no Lender consent is required to effect any amendment or supplement to any Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent with the consent of the Borrowers, are required to effectuate the foregoing); *provided*, *further*, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent, the Master Collateral Agent or the Collateral Administrator hereunder or under any other Loan Document (which shall include any such amendment or modification to Section 2.10(b)) or under any other Loan Document without its prior written consent; (iii) any provision of this Agreement or any other Loan Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Loan Document) may be amended by an agreement in writing entered into by the Borrowers and the Administrative Agent to (x) cure any

ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrowers), (y) effect administrative changes of a technical or immaterial nature and (z) correct or cure any incorrect cross references or similar inaccuracies and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five (5) Business Days' prior written notice of such change and the Administrative Agent shall not have received, within five (5) Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by the Loan Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Loan Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Loan Party or Loan Parties and the Administrative Agent or the Master Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrowers) or to cause such guarantee, collateral or security document or other document to be consistent with this Agreement and the other Loan Documents.

Notwithstanding anything in this Agreement or any Collateral Document to the contrary, (i) the Administrative Agent may, in its sole discretion, direct the Collateral Administrator, in its role as Collateral Controlling Party, to direct the Master Collateral Agent to grant extensions of time for the satisfaction of any of the requirements under Sections 5.12 and 5.14, and/or any Collateral Documents in respect of any particular Collateral or any particular Subsidiary and (ii) the Collateral Administrator, as "Collateral Controlling Party" under the Collateral Agency and Accounts Agreement and each Senior Secured Debt Document, hereby agrees to provide instructions to the Master Collateral Agent when directed in writing to do so by the Administrative Agent or the Required Lenders. The Collateral Administrator shall not be required to exercise any discretionary rights or remedies hereunder or give any consent hereunder unless, subject to the other terms and provisions of this Agreement, it shall have been expressly directed to do so in writing as set forth in the immediately preceding sentence.

(b) Promptly after execution of any amendment or modification to this Agreement, any Collateral Document or any other Loan Document to which the Master Collateral Agent or the Collateral Administrator is a party, the Borrowers shall provide a copy of such executed amendment or modification to the Master Collateral Agent and the Collateral Administrator, as applicable.

(c) No notice to or demand on any Loan Party shall entitle any Loan Party to any other or further notice or demand in the same, similar or other circumstances. Each assignee under Section 10.02(b) shall be bound by any amendment, modification, waiver, or consent

authorized as provided herein, and any consent by a Lender shall bind any Person subsequently acquiring an interest on the Term Loans held by such Lender. No amendment to this Agreement shall be effective against any Loan Party unless signed by the Borrowers.

(d) Notwithstanding anything to the contrary contained in Section 10.08(a) or elsewhere, (i) in the event that the Borrowers request that (A) this Agreement be modified or amended in a manner which would require the unanimous consent of all of the Lenders or all Lenders of a Class or the consent of all Lenders (or all Lenders of a Class) directly and adversely affected thereby and, in each case, such modification or amendment is agreed to by the Required Lenders (or at least 50% of the directly and adversely affected Lenders) or Required Class Lenders (or at least 50% of the directly and adversely affected Lenders of such Class) or (B) the maturity of any Class of Term Loans be extended pursuant to Section 2.28, then the Borrowers may (1) replace any applicable non-consenting Lender (each a "**Non-Consenting Lender**") or any non-extending Lender (each a "**Non-Extending Lender**"), as applicable, in accordance with an assignment pursuant to Section 10.02 (and such Non-Consenting Lender or Non-Extending Lender shall reasonably cooperate in effecting such assignment) or (2) repay such Lender on a non pro rata basis; *provided* that (x) such amendment or modification can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrowers to be made pursuant to this clause (i)) and (y) such Non-Consenting Lender or Non-Extending Lender shall have received payment of an amount equal to the outstanding principal amount of its Term Loans, accrued interest thereon, accrued Fees and all other amounts due and payable to it under this Agreement from the applicable assignee or the Borrowers and (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Term Loan Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that the Term Loan Commitment and the outstanding Term Loans or other extensions of credit held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

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

Section 10.10 Headings. Section headings used herein are for convenience only and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

Section 10.11 Survival. All covenants, agreements, representations and warranties made by the Loan Parties herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Term Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or

knowledge of any Early Amortization Event or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder. The provisions of Sections 2.14, 2.15, 2.16 and 10.04 and Section 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Term Loans, the expiration or termination of the Term Loan Commitments, or the termination of this Agreement or any provision hereof.

Section 10.12 Execution in Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Agreement. Notwithstanding anything contained herein to the contrary, the Collateral Administrator is not under any obligation to accept an electronic .pdf copy unless expressly agreed to by the Collateral Administrator pursuant to procedures approved by it. The Collateral Administrator shall not have a duty to inquire into or investigate the authenticity or authorization of any such electronic signature and both shall be entitled to conclusively rely on any such electronic signature without any liability with respect thereto. The words "execution," "signed," "signature," and words of like import in this Agreement or any other Loan Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.13 USA Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the Patriot Act. In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering (for purposes of this Section 10.13, "**Applicable Law**"), each of the Collateral Administrator and the Master Collateral Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Master Collateral Agent or the Collateral Administrator. Accordingly, subject to the terms of

any binding confidentiality restrictions or limitations imposed by Applicable Law, each of the parties agrees to provide to the Collateral Administrator and the Master Collateral Agent promptly following its reasonable request from time to time such customary and reasonably available identifying information and documentation as may be available for such party in order to enable the Collateral Administrator and the Master Collateral Agent to comply with Applicable Law.

Section 10.14 New Value. It is the intention of the parties hereto that any provision of Collateral by a Grantor as a condition to, or in connection with, the making of any Term Loan hereunder, shall be made as a contemporaneous exchange for new value given by the Lenders to the Borrowers.

Section 10.15 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.15.

Section 10.16 No Fiduciary Duty. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Borrowers, their stockholders and/or their affiliates. Each Borrower agrees that nothing in the Loan Documents or otherwise related to the Transactions will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrowers, their stockholders or their affiliates, on the other hand. The parties hereto (other than the Collateral Administrator) acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other hand, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Borrower, its stockholders or its affiliates on other matters) or any other obligation to any Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Borrower, its management, stockholders, affiliates, creditors or any other Person. Each Borrower acknowledges and agrees that such Borrower has consulted

its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Borrower agrees that it will not claim that any Lender or the Collateral Administrator has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Borrower, in connection with such transaction or the process leading thereto.

Section 10.17 CFC or a FSHCO Provisions. Notwithstanding any term of any Loan Document, no loan or other obligation of any Borrower, under any Loan Document, may be, directly or indirectly (including by application of any payments made by or amounts received or recovered from any CFC or FSHCO):

(i) guaranteed by a CFC or a FSHCO;

(ii) secured by any assets of a CFC or FSHCO (including any CFC or FSHCO equity interests held directly or indirectly by a CFC or FSHCO); or

(iii) secured by a pledge or other security interest in excess of 65% of the voting equity interests of any CFC or FSHCO.

Section 10.18 [Reserved].

Section 10.19 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

Section 10.20 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, each party to this Agreement, each Lead Arranger and their respective Affiliates, that at least one of the following is and will be true:

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

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

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

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender, such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of each party to this Agreement, each Lead Arranger and their respective Affiliates, that, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in

such Lender's entrance into, participation in, administration of and performance of the Term Loans and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 10.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 10.22 Limited Recourse; Non-Petition. Notwithstanding any other provision of this Agreement or any other document to which it may be a party, the obligations of each SPV Party from time to time and at any time hereunder are limited recourse obligations of such SPV Party and are payable solely from the assets thereof available at such time and amounts derived therefrom and following realization of the assets of such SPV Party, and application of the Proceeds (including proceeds of assets upon which a Lien was purported to be granted) thereof in accordance with this Agreement, all obligations of and any remaining claims against such SPV Party hereunder or in connection herewith after such realization shall be extinguished and

shall not thereafter revive. No recourse shall be had against any officer, director, employee, shareholder, administrator or incorporator of the SPV Parties or their respective successors or assigns for any amounts payable hereunder. Notwithstanding any other provision of this Agreement, no Person may, prior to the date which is one year (or if longer, any applicable preference period) and one day after the Discharge of Senior Secured Debt Obligations, institute against, or join any other Person in instituting against, the SPV Parties any Insolvency or Liquidation Proceeding, or other proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws. Nothing in this Section 10.22 shall preclude, or be deemed to estop, the parties hereto (i) from taking any action prior to the expiration of the aforementioned period in (A) any case or Insolvency or Liquidation Proceeding voluntarily filed or commenced by any SPV Party or (B) any involuntary Insolvency or Liquidation Proceeding filed or commenced by any other non-affiliated Person, or (ii) from commencing against any SPV Party or any of its property any legal action which is not an Insolvency or Liquidation Proceeding. It is understood that the foregoing provisions of this Section shall not (x) prevent recourse to the assets of the SPV Parties (including, in the case of Loyalty Co and Hold Co 3, the Collateral and sums due or to become due under any security, instrument or agreement which is part of the Collateral) or (y) constitute a waiver, release or discharge of any Indebtedness or obligation secured hereby until all assets of SPV Parties (including, in the case of Loyalty Co and Hold Co 3, the Collateral and sums due or to become due under any security, instrument or agreement which is part of the Collateral) have been realized. It is further understood that the foregoing provisions of this Section shall not limit the right of any Person to name any SPV Party as a party defendant in any proceeding or in the exercise of any other remedy hereunder, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Persons.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and the year first written above.

BORROWERS:

SKYMILES IP LTD., a Cayman Islands exempted company with limited liability

By:_ Name:
Title:

DELTA AIR LINES, INC., a Delaware corporation

By:_ Name:
Title:

GUARANTORS:

SKY MILES HOLDINGS LTD., a Cayman Islands exempted company with limited liability

By:_ Name:
Title:

SKYMILES IP HOLDINGS LTD., a Cayman Islands exempted company with limited liability

By:_ Name:
Title:

SKYMILES IP FINANCE LTD., a Cayman Islands exempted company with limited liability

By:_ Name:
Title:

BARCLAYS BANK PLC,
as Administrative Agent

By:_ Name:
Title:

GOLDMAN SACHS LENDING PARTNERS
LLC, as a Lender

By:_ Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as Collateral Administrator

By:_ Name:
Title:

BARCLAYS BANK PLC,
as a Lender

By:_ Name:
Title:

Annex A - Lenders and Commitments

Lender	Initial Term Loan Commitment
Barclays Bank PLC	$3,000,000,000.00
Total	$3,000,000,000.00

EXHIBIT 21.1

SUBSIDIARIES OF DELTA AIR LINES, INC.
as of December 31, 2022

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION OR ORGANIZATION
Aero Assurance Ltd.	Vermont
DAL Global Technology Hub LLP	India
Delta Flight Products, LLC	Delaware
Delta Material Services, LLC	Delaware
Delta Professional Services, LLC	Delaware
Delta Vacations, LLC	Minnesota
Endeavor Air, Inc.	Georgia
Epsilon Trading, LLC	Delaware
MIPC, LLC	Delaware
Monroe Energy, LLC	Delaware
New Sky, Ltd.	Bermuda
SkyMiles Holdings Ltd.	Cayman Islands
SkyMiles IP Finance Ltd.	Cayman Islands
SkyMiles IP Holdings Ltd.	Cayman Islands
SkyMiles IP Ltd.	Cayman Islands

Certain subsidiaries were omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement No. 333-142424 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,

(2) Registration Statement No. 333-149308 on Form S-8 pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,

(3) Registration Statement No. 333-154818 on Form S-8, as amended by Post-Effective Amendment No.1 thereto, pertaining to the Delta Air Lines, Inc. 2007 Performance Compensation Plan,

(4) Registration Statement No. 333-151060 on Form S-8 pertaining to the Northwest Airlines Corporation 2007 Stock Incentive Plan,

(5) Registration Statement No. 333-212525 on Form S-8 pertaining to the Delta Air Lines, Inc. Performance Compensation Plan,

(6) Registration Statement No. 333-238725 on Form S-3 pertaining to debt, equity and other securities and

(7) Registration Statement No. 333-262678 on Form S-3 pertaining to common stock;

of our reports dated February 10, 2023, with respect to the consolidated financial statements of Delta Air Lines, Inc., and the effectiveness of internal control over financial reporting of Delta Air Lines, Inc. included in this Annual Report (Form 10-K) of Delta Air Lines, Inc. for the year ended December 31, 2022.

/s/ Ernst & Young LLP

Atlanta, Georgia
February 10, 2023

Exhibit 31.1

I, Edward H. Bastian, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 10, 2023

/s/ Edward H. Bastian

Edward H. Bastian
Chief Executive Officer

Exhibit 31.2

I, Daniel C. Janki, certify that:

1. I have reviewed this annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

February 10, 2023

/s/ Daniel C. Janki

Daniel C. Janki

Executive Vice President and Chief Financial Officer

Exhibit 32

February 10, 2023
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the annual report on Form 10-K of Delta Air Lines, Inc. ("Delta") for the annual period ended December 31, 2022 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Edward H. Bastian
Edward H. Bastian
Chief Executive Officer

/s/ Daniel C. Janki
Daniel C. Janki
Executive Vice President and Chief Financial Officer