

AGREEMENT

Among

DELTA AIR LINES, INC.,

DELTA AIR LINES MASTER EXECUTIVE COUNCIL,

NORTHWEST AIRLINES MASTER EXECUTIVE COUNCIL

and the

AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

Joint Collective Bargaining Agreement

This AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by Delta Air Lines, Inc. (“Delta”), and the Delta Air Lines Master Executive Council (“the Delta MEC”) and the Northwest Airlines Master Executive Council (“the NWA MEC”) and the Air Line Pilots Association, International (“the Association”).

WHEREAS Delta and the Association are parties to a collective bargaining agreement setting forth the rates of pay, rules and working conditions for the Delta pilots signed June 1, 2006, and subsequently amended (“Delta Pilot Working Agreement” or “Delta PWA”), and

WHEREAS Northwest Airlines, Inc. (“Northwest”) and the Association are parties to a collective bargaining agreement setting forth the rates of pay, rules and working conditions for the Northwest pilots signed July 31, 2006, and subsequently amended (“Northwest Collective Bargaining Agreement” or “Northwest CBA”), and

WHEREAS, Delta Air Lines and Northwest Airlines Corporation have agreed to a merger, and

WHEREAS Delta, the Delta MEC, the Northwest MEC and the Association wish to conclude a collective bargaining agreement (“new agreement”, “new PWA” or “JCBA”) that will apply to pre-merger Delta pilots and the former NWA pilots (“combined pilot group”) as of CBAID, and

WHEREAS, the parties recognize the difficulties of the immediate application on CBAID of certain sections (including Letters of Agreements) of the new PWA to former NWA pilots and the legal obstacles to applying certain sections of the new PWA to former NWA pilots prior to

Delta's receipt of a single operating certificate ("SOC") from the Federal Aviation Administration ("FAA"), and

WHEREAS, the parties recognize that a full operational merger and a complete integration of the combined pilot group and fleets cannot be completed in all respects until the FAA issues a SOC to the Company, and

WHEREAS, the parties wish to have a framework and schedule for the complete application of all sections of the new PWA to former NWA pilots and to provide appropriate contractual provisions for former NWA pilots.

NOW THEREFORE, Delta, Delta MEC, Northwest MEC and the Association agree:

A.

Purpose

This Agreement and the Delta PWA will be the collective bargaining agreement that will apply to the combined pilot group following the merger ("new PWA"). If the new PWA has been ratified by the Delta pilots and the Northwest pilots and executed by the President of the Association, the new PWA will be effective on CBAID. If and to the extent that such corporate transaction includes the creation of a new corporation (the "corporation") which becomes the employer of the pilots formerly employed by Delta or Northwest, or if such a new corporation is formed following such corporate transaction, then both Delta and Northwest will not enter into, conclude, or implement the transaction, or the subsequent formation of such corporation, unless the corporation agrees, in writing, as a material and irrevocable condition of the transaction or such formation to adopt the new PWA as their successor.

B.

Applicability

1. Except as otherwise provided in Attachment A or B, the new PWA will be applicable to all pilots on CBAID.
2. Attachment A hereto contains the terms and conditions that are applicable to former NWA pilots from CBAID, unless otherwise specified herein, until the dates and pursuant to the terms provided for in Attachment A.
3. Attachment B hereto contains the terms and conditions that are applicable to pre-merger Delta pilots from CBAID, unless otherwise specified herein, until the dates and pursuant to the terms provided for in Attachment B.

4. Attachment C contains Northwest CBA LOAs that will become part of the new PWA and will be applicable to all pilots on CBAID (unless identified as for reference purposes only).
5. Attachment D contains new LOAs that are part of the new PWA and will be applicable to all pilots on CBAID.
6. In the event any party identifies an issue that, in the view of that party, would require a change to the date or terms of the implementation or transition provided in Attachment A or Attachment B, the parties will meet and confer in good faith in an attempt to reach an agreement on appropriate modifications, if any.

C.
ALPA Application to the NMB

The Association will, at the earliest practicable time after CBAID, file an application to the National Mediation Board for recognition of a single transportation system for the merged Delta and Northwest and a single pilot craft or class of the combined pilot group. The Company will support the Association's application.

D.
Terms

Except as provided in this agreement, the new PWA will consist of the Delta PWA, as modified by LOA 19 and any other LOAs, and any welfare and retirement plan under the Delta PWA, as modified by inclusion of certain provisions from the Northwest CBA and certain other amendments specified herein. The new PWA will consist of each section of the Delta PWA together with the following amendments:

Section 1
SCOPE

Amend ***Section 1 B. 28.*** to:

Delete all references to Alaska and AS hub to hub baseline ratios.

Amend ***Section 1 B. 40.*** to read:

40. "Permitted aircraft type" means:

- a. a propeller-driven aircraft configured with 70 or fewer passenger seats and with a maximum certificated gross takeoff weight in the United States of 70,000 or fewer pounds, and
- b. a jet aircraft certificated for operation in the United States for 50 or fewer passenger seats and with a maximum certificated gross takeoff weight in the United States of 65,000 or fewer pounds, and
- c. one of up to 255 jet aircraft configured with 51-70 passenger seats and certificated in the United States with a maximum gross takeoff weight of 86,000 pounds or less ("70-seat jets"), and

- d. one of up to 120 jet aircraft configured with 71-76 passenger seats and certificated in the United States with a maximum gross takeoff weight of 86,000 pounds or less (“76-seat jets”). The number of 76-seat jets may be increased above 120 by three 76-seat jets for each aircraft above the number of aircraft in the baseline fleet operated by the Company (in service, undergoing maintenance and operational spares) as of CBAID. The baseline fleet number will be 440+N, in which N is the number of aircraft (in service, undergoing maintenance and operational spares but not including permitted aircraft types) added to the Company’s baseline fleet from NWA. The number and type of all aircraft in the Company’s fleet on CBAID will be provided to the Association. The number of 70-seat jets plus 76-seat jets permitted by **Section 1 B. 40.** may not exceed 255.
Exception: Up to the 36 EMB-175s that were operated and/or ordered by Northwest prior to CBAID may continue to be operated with up to a maximum gross takeoff weight of 89,000 pounds.
- e. once the number of permitted 76-seat jets is established, it will not be reduced.
Exception one: If a pilot on the seniority list with an employment date prior to September 1, 2001 is placed on furlough, the Company will convert all 76-seat jets for operation as 70-seat jets.
Exception two: In the event the flow provisions of NWA LOA 2006-10 and LOA 2006-14 cease to be available, either at the feeder carrier affiliate referenced in such LOAs or at another carrier, the number of jet aircraft configured with 71-76 passenger seats specified in **Section 1 B. 40. d.** will revert to 85.
- f. a carrier that operates any of the 70- or 76-seat jets not being operated as of November 1, 2004, may do so only if that carrier and the Company have agreed to terms for a preferential hiring process for pilots furloughed by the Company (i.e., a pilot furloughed by the Company will be given preferential hiring at a Delta Connection Carrier if he completes all new hire paper work, meets all new hire airman and medical qualifications, satisfies background checks and successfully completes an interview). The Company will offer preferential interviews for employment to airmen employed by a Delta Connection Carrier that offers preferential hiring to furloughed pilots under **Section 1 B. 40. e.**, subject to the Company’s objectives for diversity and experience among newly hired pilots, and subject to the Company’s hiring obligations under the NWA CBA LOAs as they appear in Attachment C (i.e. NWA LOA 2006-10, 2006-14, and 2008-01). A pilot hired by a Delta Connection Carrier operating any of the 70- or 76-seat jets not being operated as of November 1, 2004 will not be required to resign his Delta seniority number in order to be hired by such carrier. Preferential hiring rights at Delta Connection Carriers for pilots furloughed by the Company provided herein will be in addition to any flow down rights such furloughed pilots may have pursuant to the NWA CBA LOAs as they appear in Attachment C (i.e. NWA LOA 2006-10, 2006-14, and 2008-01).

Amend **Section 1 C.** to read:

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

Amend **Section 1 E. 2.** to read:

2. Without the consent of the Delta MEC, neither the Company nor any affiliate will enter into or maintain an agreement or arrangement with any foreign air carrier performing international partner flying that permits the Company or any affiliate to book or ticket under the Company's or affiliate's designator code, reserve, block, and/or purchase for resale:
 - a. more than 50% of the passenger seats in any month on any pair of flight segments in a city pair (e.g., CDG-ATL-CDG) of such foreign air carrier,
 - b. a monthly average of more than 175 passenger seats per flight segment (e.g., CDG-ATL or ATL-CDG) of such foreign air carrier to and from destinations other than Mexico, the Caribbean, Canada or Central America,
 - c. a monthly average of more than 100 passenger seats per flight segment of such foreign air carrier to and from Mexico, the Caribbean, Canada or Central America, and
 - d. passenger seats on any Fifth Freedom flight segment between Japan and Asian cities beyond Japan, unless 316 weekly NRT slots are scheduled to be utilized in Company flying.

Exception: For a period of 36 months following DCC, the Company will be deemed in compliance with this provision if it schedules not less than 85% of such 316 weekly NRT slots.

Amend **Section 1 L. 3. c.** to read:

- c. Delta will also provide to the Association documentation of each flight segment that has been published by the Company (in print or electronically as of the first day of the current month) bearing both the DL code and one or more of NW, CO, AS or HA code for each of the two months following the current month. Such documentation will be provided to the Association, in electronic form, by the end of each such current month.

Amend **Section 1 O. 3., 5., 6., 8., and 9.** to read:

3. The DL code will not be placed on AS flight segments to or from a Delta hub.

Exception one: The DL code may be placed on AS flight segments to or from LAX, subject to **Section 1 O. 2.** Any such flight segments between LAX and an Alaska hub will be included in the calculations in **Section 1 O. 3. Exception two.**

Exception two: The DL code may be placed on AS hub to hub flight segments, provided that the following limitations are satisfied (measured at the end of each month on a rolling 12 month average):

 - a. the ratio of the aggregate number of scheduled hub to hub flight segments of DL bearing an AS code, to the aggregate number of scheduled hub to hub flight segments of AS bearing a DL code, must equal or exceed 4.0, and
 - b. the ratio of the aggregate number of scheduled hub to hub flight segments of Delta bearing an AS code, to the aggregate number of scheduled hub to hub flight segments of Alaska bearing a DL code, must equal or exceed 4.0.

Note: Each requirement in **Section 1 O. 3. Exception two a.** and **b.** will be satisfied if, with respect to such requirement, the number of scheduled flight segments of Delta or DL, as applicable, bearing the AS code, as applicable, is no more than two average daily scheduled flight segments below the minimum number of such flight segments specified

by such requirement. It is understood that “average daily scheduled flight segments” will be computed with respect to the applicable rolling time period.

5. With respect to flight segments of AS in a city pair, no more than:
 - a. 50% of the passenger seats may be occupied by passengers traveling under the DL code in any month, or
 - b. a monthly average of 86 passenger seats may be occupied by passengers traveling under the DL code per flight segment.
6. Reserved.
8. If Delta is in breach of any of the limitations on hub to hub (*Section 1 O. 3.*) flight segments, the following will apply:
 - a. Delta may cure any such breach within 60 days of the date of written notification from the MEC Chairman to the Company of such breach by:
 - 1) removing the DL code from, as applicable, AS or Alaska flight segment(s), and/or
 - 2) increasing the number of DL or Delta, as applicable, flight segment(s) bearing the AS code, as applicable.
 - b. Delta may defer the cure of any such breach for up to 90 days beyond such 60 day period if the cause of such breach was a "circumstance over which the Company does not have control", as defined in *Section 1 B. 9.*
9. Consolidation
 - a. If Delta or Alaska acquires an air carrier and integrates that air carrier so as to form a single carrier, the applicable limitations and parameters in *Section 1 O.* will be adjusted to include the increase in scheduled flight segments that result from the acquisition and integration of the acquired air carrier.
 - b. The Association will have the right to terminate *Section 1 O.* upon 60 days written notice to the Company, if Alaska, without the prior written approval of the Association, acquires control of Delta, either directly or through another individual, entity or trust, or as part of a group.

Add new *Section 1. Q.* to read:

Q. Permitted Arrangements Pursuant to the Hawaiian Marketing Agreement

1. *Section 1 C.* will not apply to flying performed by Hawaiian under the DL code provided that the DL code may only be placed on Hawaiian flight segments:
 - a. for the sole purpose of passenger service, and
 - b. pursuant to the Hawaiian marketing agreement, and
 - c. within the state of Hawaii, and
 - d. under a prorate agreement, and
 - e. consistent with the terms of *Section 1 Q.*
2. Delta will not purchase or reserve seats on HA on a block space basis (i.e., on the basis of the purchase or reservation by Delta of a block of seats on aircraft operated by HA, at a contractually agreed price, that are then available for resale by Delta to its customers).
3. The Association will have the right to terminate *Section 1 Q.* upon 60 days written notice to the Company, if Hawaiian, without the prior written approval of the Association, acquires control of Delta, either directly or through another individual,

- entity or trust, or as part of a group.
4. There will be no direct or indirect transfer to Hawaiian of any aircraft owned, leased, operated or on order or option by or on behalf of Delta or an affiliate, other than in the normal course of business (e.g., lease returns or sale of aircraft, orders or options on arm's length market terms).
 5. Delta will maintain a separate operating and corporate identity from Hawaiian, including, but not limited to, name, trade name, logo, livery, trademarks or service marks, but permitting (in addition to the separate name, trade name, logo, livery, trademarks or service marks) the use of designator codes, frequent flyer program information, and other name, trademarks, trade name, logo, livery or service marks that reflect the alliance relationship. The foregoing will not preclude Delta from acquiring and integrating Hawaiian in accordance with **Section 1 D. 8.**, but will apply until the closing date of any corporate transaction pursuant to which Delta or any affiliate acquires control of Hawaiian.
 6. To the extent that any of the terms of **Section 1 Q.** are inconsistent with any of the terms of the Hawaiian marketing agreement, the terms of **Section 1 Q.** will take precedence and will remain in full force and effect. Delta will not be excused from compliance with any of the terms of **Section 1 Q.** based on its obligations under the Hawaiian marketing agreement.
 7. Amendments to the Hawaiian marketing agreement
 - a. No amendment to the Hawaiian marketing agreement (other than a termination) that constitutes a material change will be made without the written consent of the Delta MEC Chairman.
 - b. A copy of each amendment to the Hawaiian marketing agreement will be promptly delivered to the office of the Delta MEC Chairman. A copy of each such amendment that affects a codeshare or prorate term or condition will be delivered to the office of the Delta MEC Chairman, for his review and comment, at least 30 days prior to implementation.
 - 1) If the Delta MEC Chairman believes that the amendment is a material change, he may dispute such amendment by submitting a grievance to the Company for expedited determination under **Section 1 M.** To be valid, such grievance must be so submitted within 30 days of the date of delivery of the amendment to the office of the Delta MEC Chairman.
 - 2) If the System Board of Adjustment determines that the amendment is a material change, then at the written request of the Delta MEC Chairman, Delta will cancel or void the disputed amendment to the Hawaiian marketing agreement and will take all other action necessary to restore the status quo that existed prior to such amendment within 30 days of receipt of such written request by the Company. In addition, the System Board may award such other and further relief as appropriate to provide a make-whole remedy to pilots harmed by such material change.
 - 3) If Delta does not comply with such request within such 30 day period, the Delta MEC Chairman will have the right to terminate **Section 1 Q.** upon 60 days advance written notice to the Company.
 8. Termination
 - a. In the event that the Hawaiian marketing agreement is terminated in whole, for any

- reason, Delta and the MEC Chairman, each, will have the right to declare **Section 1 Q.** null and void upon 30 days advance written notice to the other.
- b. If Delta or Hawaiian serves a notice of termination of its participation in the Alaska marketing agreement, and such notice of termination of participation is accepted by the other party, the Delta MEC Chairman will have the right to terminate **Section 1 Q.** upon 60 days advance written notice to the Company, with such termination to be effective upon the date of termination of such party's participation in the Hawaiian marketing agreement.
9. Rulings of Government Authority
- If, as a result of any action or rulings of any governmental authority, or in response thereto, any amendment that is a material change is required to be made to the Hawaiian marketing agreement, and is made without the written consent of the Delta MEC Chairman, then the Delta MEC will have the right to terminate **Section 1 Q.** upon 60 days advance written notice to the Company.
10. Labor Disputes
- a. There will be no increased use of the DL code (i.e., an increase over and above that which was loaded in Deltamatic in the 90 day period prior to the commencement of the cooling off period) by Hawaiian during a cooling off period (under Sections 5, 6 or 10 of the Railway Labor Act) applicable to Delta pilots. In the event of a lawful primary strike against Delta by the Delta pilots, the DL code will not be used by Hawaiian at any time during such strike.
 - b. There will be no payments other than those payments occurring during the ordinary course of business to Delta from Hawaiian during a cooling off period (under Sections 5, 6 or 10 of the Railway Labor Act) applicable to Delta pilots or a lawful strike by Delta pilots.
 - c. No airman trained by Hawaiian in the prior 12 months will be hired to serve as a Delta pilot during a cooling off period (under Sections 5, 6 or 10 of the Railway Labor Act) applicable to Delta pilots or a lawful strike by Delta pilots.
Note: For ease of reading in **Section 1. Q. 9.**, the defined term "pilot" is modified by the word "Delta." Such modification does not change the meaning of the defined term "pilot."
11. The provisions of **Section 1 Q. 6. – 9.** will be effective in all respects without regard to whether the parties are then engaged in collective bargaining pursuant to Section 6 of the Railway Labor Act. Delta expressly waives any and all rights whatsoever to argue that the Association's rights under these provisions or exercise of such rights should be affected in any way by virtue of the status quo provisions of the Railway Labor Act.
12. Transactions between Delta and Hawaiian will be at arm's length (as would be conducted by independent, unaffiliated parties).

Section 2

DEFINITIONS AND GLOSSARY

Section 2 of the PWA will be modified to include all applicable definitions (new definitions in **Section 1, 12, 14, 16, 25** and **26** appear in the respective sections, not listed separately here).

11. "Code" means the unique two character designator code assigned to an airline by the International Air Transport Association (IATA). If IATA assigns or has assigned more than one designator code for use by Delta, Northwest, Continental, Alaska or Hawaiian or by a subsidiary of Delta, Northwest, Continental, or Alaska then such additional designator code(s) will be included within the DL code, NW code, CO code, AS code, or HA code, respectively.
20. "Delta hub" means ATL, CVG, LAX, SLC, MSP, DTW, MEM and any other airport having a monthly average of at least 100 Delta scheduled flight departures per day. Exception: SEA is not a Delta hub regardless of the number of scheduled flight departures.
33. "Material change" means an amendment to the Northwest/Continental marketing agreement, the Alaska marketing agreement or the Hawaiian marketing agreement that:
 - a. affects the codeshare or prorate terms or conditions of the Northwest/Continental marketing agreement, the Alaska marketing agreement, or the Hawaiian marketing agreement and,
 - b. has or would have an adverse material economic impact on:
 - 1) the structure or benefits of the Northwest/Continental marketing agreement, the Alaska marketing agreement, or the Hawaiian marketing agreement to Delta, or
 - 2) a substantial number of the Delta pilots.
258. "Aircrew training instructor" (ATI) means a former NWA instructor who, on the day prior to CBAID, performs training in classrooms and/or in flight training devices and flight simulators, and is:
 - a. not on the NWA seniority list, or
 - b. is on the NWA seniority list but is not an active pilot (e.g. on layoff, on leave, etc.)
259. "Collective bargaining agreement implementation date" (CBAID), means 12:01am New York time on the day following the day on which the Effective Time (as defined in the Merger Agreement) takes place. This will be simultaneous with **DCC**.
260. "Former Delta aircraft" means an aircraft operated prior to SOC under the authority granted in the Delta operating certificate.
261. "Former Delta category" means a position and assigned base, at CBAID, on any of the following pre-merger Delta aircraft types: B-777, B-767-400ER, B-767/757 (not in MSP/DTW), 737-900/800/700, MD-90/88.
262. "Former NWA aircraft" means an aircraft operated prior to SOC under the authority granted in the NWA operating certificate.
263. "Former NWA category" means a position and assigned base, at CBAID, on any of the following former NWA aircraft types: B-747-400, B-747-200, A-330-300/200, A-320/319, 757 (Int'l in MSP/DTW) or DC-9.
264. "Former NWA pilot" means a pilot whose name appeared on the NWA seniority list immediately prior to CBAID.
265. "Hawaiian" or "HA" means Hawaiian Airlines, Inc.
266. "Hawaiian marketing agreement" means the document titled "Marketing Agreement" signed on _____ by Delta and Hawaiian as from time to time amended.
267. "Longevity" means all time beginning at date of employment as a pilot, and ending at termination of employment, retirement, or death.
Exception one: For purposes of vacation, sick leave and pass benefits, the longevity of a pilot who transferred from another Company department will begin on his most recent

date of employment with the Company.

Exception two: For purposes of vacation, sick leave and pass benefits, longevity does not include periods during which a pilot remains on furlough due to his decision to bypass recall.

Exception three: At CBAID, a former NWA pilot will receive longevity credit as it existed at Northwest immediately prior to CBAID in addition to longevity credit for any periods of furlough that occurred on or after July 31, 1992 (excluding any periods of furlough bypass).

268. "Merger Agreement" means the agreement between Delta Air Lines, Inc. and Northwest Airlines Corporation, described in the Transaction Framework Agreement, dated as of [REDACTED], 2008, by and among Delta Air Lines, Inc, Delta Master Executive Council, Northwest Master Executive Council and the Air Line Pilots Association, International.
269. "NWA seniority list" means the Northwest Airlines Pilots' Integrated System Seniority List.
270. "Northwest Airlines Collective Bargaining Agreement" (NWA CBA) means the agreement dated July 31, 2006 between Northwest Airlines, Inc. and the air line pilots in the service of Northwest Airlines, as represented by the Air Lines Pilots Association, International.
271. "Pre-merger Delta pilot" means a pilot whose name appeared on the Delta seniority list immediately prior to CBAID.
272. "Single operating certificate" (SOC) means the date on which the FAA issues the Company an operating certificate that grants the authority to conduct flight operations of the Company and Northwest as a single airline.
273. "Status" means a pilot's rank as Captain, First Officer or Second Officer.

Section 3 **COMPENSATION**

Amend ***Section 3 B.*** Pay Tables for A-330 as follows:

Effective January 1, 2008:

A-330 12-year Captain hourly rate is \$180.54

Amend ***Section 3 B. 2. c.*** (Pay Tables effective January 1, 2008) to add the following Note:

Note: Former NWA pilots are not entitled to any retroactive pay to achieve the January 1, 2008 composite hourly pay rates for any date prior to CBAID.

Amend ***Section 3 C.*** to read:

C. International Pay

International pay is:

Captain	\$5.20
First Officer	\$3.90
Second Officer	\$2.60

Effective 1/1/2010:

Captain	\$6.00
First Officer	\$4.00
Second Officer	\$3.00

Amend **Section 3 I.**, Profit Sharing Plan table to add the following Payout Calculation Note:

Note: For the calendar year in which CBAID occurs, eligible former NWA pilots will participate in 1) the Profit Sharing Plan applicable to Northwest pilots under the NWA CBA from the beginning of the plan year through the day prior to CBAID and 2) the Delta Profit Sharing Plan from the CBAID until the end of the year.

Section 5 LODGING AND EXPENSES

Amend **Section 5 E. 11.** (new) to read:

11. In all contracts for hotels entered into on or after CBAID, the Company will use its best efforts to negotiate free internet access for pilots while on layover.

Amend **Section 5 F.** (new) to add:

F. Laundry Expenses.

Laundry expenses for a pilot will be reimbursed as follows:

1. A domestic category pilot is not entitled to laundry expense reimbursement.
2. An international category pilot who is engaged in international operations is eligible for reimbursement for laundry expenses incurred at a layover city if his rotation contains an ocean crossing and has a time away from base (TAFB) of 96 hours or more and
 - a. a receipt is required, which must be submitted through the electronic expense form, and
 - b. the maximum reimbursement is \$50.00.

Exception: An international pilot is not eligible for reimbursement of laundry expenses under **Section 5 F.** if he utilizes the direct-billing laundry service at NRT or AMS.

Section 8 DEADHEADING

Amend **Section 8 B. 4.** to read:

4. A pilot who deadheads by surface transportation between airport pairings not listed in **Section 8 B. 3.** will be paid \$12.50 per hour of travel time, on a minute by minute basis. Exception: A pilot who deadheads by surface transportation between airports separated by more than 30 road miles either immediately before or immediately after a military charter operation (whether or not an intervening layover occurred) will be paid one hour of pay.

Section 11 TRAINING

Amend the Exception to **Section 11 C. 8.** to read:

Exception: The above requirements will not apply to a pilot who was an SLI on June 21, 2001 or a former NWA pilot who was considered a qualified NWA Seniority List Instructor (SLI) on the day prior to the CBAID.

Amend **Section 11 C. 12. a.** to add an Exception two to read:

Exception two: The above requirements will not apply to a former NWA pilot who was considered a qualified NWA Line Check Pilot (LCP) on the day prior to the CBAID.

Amend **Section 11 C. 12. c.** to add an Exception to read:

Exception: The above requirements will not apply to a former NWA pilot who was considered a qualified NWA Proficiency Check Pilot (PCP) on the day prior to the CBAID.

Amend **Section 11 C. 13. a. and b.** to read:

13. While assigned to active duty in the Training Department:

- a. a Captain SLI will be paid at the applicable composite hourly rate in the highest paying position he can hold.
- b. a First Officer SLI will be paid at the applicable composite hourly rate in the highest paying First Officer position he can hold.

Amend **Section 11 D. 1 b.** to add an Exception to read:

Exception: The above requirements will not apply to a former NWA employee who was a qualified NWA Aircrew Training Instructor (ATI) on the day prior to the CBAID.

Amend **Section 11 I. 1.** as follows:

1. A pilot will:
 - a. receive positive space coach transportation on Company aircraft or on wholly owned DCI carriers, and Pinnacle (so long as it remains a DCI carrier), to travel between the training location and any Company station:
 - 1) before and after training.
 - 2) at his request during each duty-free period of 48 hours or more, if sales are authorized at the time of his attempted booking.
 - b. receive the highest space available priority among Delta non-revenue travelers on non-wholly owned DCI carriers (other than Pinnacle) to travel between the training location and any Company station before and after training.

Amend **Section 11 J.** (new) to read:

- J. Withdrawal from Training following SOC
 1. Following SOC, a former NWA pilot may withdraw from the first qualification training program (other than a special requalification) he is undergoing at the ATL training facility due to an AE, prior to his LOE under the AQP.
 2. Following SOC, a pre-merger Delta pilot may withdraw from the first qualification training program (other than a special requalification) he is undergoing at the MSP training facility due to an AE, prior to his LOE under the AQP.
 3. In the event a pilot withdraws, he will not be considered to have failed to complete

training. Such pilot may only return to his previous category and he will be under a category freeze in that position for the same period as he would have been subject to due to the AE. Such pilot will be immediately scheduled for re-qualification training in his previous aircraft and will be paid a pro-rata portion of the ALV for the days as if he had continued in the qualification training. Such pilot will not take any steps within his control that restrict his availability for such training. Following re-qualification training, the pilot will be assigned a specially created reserve line until his next opportunity to bid under PBS.

4. A pilot who makes a request to withdraw prior to beginning any training and has the request approved will incur no category freeze.

Section 12 **HOURS OF SERVICE**

Amend ***Section 12 A.*** as follows:

14. “Operational crewmember” means a pilot who operates the controls of the aircraft, assists in the operation or control of the aircraft, and/or serves as a relief Captain, relief First Officer or relief Second Officer.
18. “Relief First Officer” means a type rated First Officer who is current in his position and augments a crew.
Exception: On the 747-400, 747-200 and the A-330 a Captain may fulfill the requirements of a relief First Officer.
26. “Relief Second Officer” means a Second Officer who is current in his position and augments a crew.
27. “Second Officer” means a pilot whose duty it is to assist the Captain or the First Officer, as required, and who is properly qualified to serve as and who holds currently effective airman’s certificates authorizing him to serve as such Second Officer and who holds at least a currently effective commercial pilot license and instrument rating.
28. “Three-pilot aircraft” means an aircraft model certificated for a cockpit crew complement of a Captain, First Officer and Second Officer.

Amend ***Section 12 D. 3.*** to add:

3. The maximum scheduled duty time of a three-pilot aircraft international category pilot in a trans-oceanic duty period will be:
 - a. 15 hours if the flight crew is augmented with one relief Captain or relief First Officer and one relief Second Officer.
 - b. 13 hours if the flight crew is not augmented.Exceptions:
 - 1) In a duty period that contains two scheduled landings following a westbound ocean crossing, a pilot’s maximum scheduled duty time may be more than 13 hours as follows:
 - a) The pilot’s maximum scheduled duty time will be 13 hours plus the number of minutes that such duty period is scheduled to be over 13 hours, not to exceed 13 and one half hours.
 - b) If such duty period (over 13 scheduled hours) is preceded by a duty period containing an eastbound or southbound ocean crossing, the pilot’s maximum

- scheduled duty times for those two trans-oceanic duty periods in the rotation will not average more than 13 hours.
- c) If such duty period (over 13 scheduled hours) is followed by a duty period containing an eastbound or southbound ocean crossing, the pilot's maximum scheduled duty times for those two trans-oceanic duty periods in the rotation will not average more than 13 hours.
- 2) In a duty period that contains one scheduled landing before a northbound or westbound ocean crossing and one scheduled landing after such ocean crossing, a pilot's maximum scheduled duty time may be more than 13 hours as follows:
 - a) The pilot's maximum scheduled duty time will be 13 hours plus the number of minutes that such duty period is scheduled to be over 13 hours, not to exceed 14 hours.
 - b) If such duty period (over 13 scheduled hours) is preceded by a duty period containing an eastbound or southbound ocean crossing, the pilot's maximum scheduled duty times for those two trans-oceanic duty periods in the rotation will not average more than 13 hours.
 - c) If such duty period (over 13 scheduled hours) is followed by a duty period containing an eastbound or southbound ocean crossing, the pilot's maximum scheduled duty times for those two trans-oceanic duty periods in the rotation will not average more than 13 hours.
 - 3) In a duty period that contains a LAX-Hawaii ocean crossing followed by intra-Hawaii flying, the maximum scheduled duty time will be 13 and one half hours.
 - 4) In a duty period that contains only one scheduled landing, the maximum scheduled duty time will be 14 hours if:
 - a) neither the preceding nor the following duty period is greater than 13 scheduled hours of duty time and contains a westbound or northbound ocean crossing and two scheduled landings; or
 - b) the duty period is composed of flight segments between the West Coast and Hawaii (either direction), and the scheduled departure of the first flight segment of the duty period is between 0759 and 1201, pilot's base time.

Amend **Section 12 E. 3.** (new) to add:

- 3. A three-pilot aircraft international category pilot will not be scheduled for block time in excess of 12 hours in a trans-oceanic duty period.
Exception: A three-pilot aircraft international category pilot may be scheduled for block time in excess of 12 hours in a trans-oceanic duty period if the flight crew is augmented with one relief Captain or relief First Officer and one relief Second Officer.

Amend **Section 12 N. 9. e.** to add an Exception to read:

Exception: If an international category pilot has a reserve line that contains a contiguous block(s) of nine or more on-call days and is in a category in which 20% or more of the published rotations are scheduled to operate for nine or more days, he may not move an X-day if such X-day move would reduce the length of such contiguous block(s) of on-call days below the weighted average length, rounded to the nearest whole number, of all published rotations in the category that are scheduled to operate for nine or more days.

Note one: The minimum separation length (MSL) described above will be published in

the bid package.

Note two: The terms of this Exception may be modified by mutual agreement between the Director – Crew Resources and the MEC Scheduling Committee Chairman.

Section 13 **LEAVES OF ABSENCE**

Amend the last sentence of *Section 13 B. 1.* to read:

During such a leave a pilot may be entitled to benefits under the D&S Plan, and a former NWA pilot may be entitled to a Disability Retirement Pension under the NWA Pension Plan or disability benefits under the NWA LTD Plan.

Amend *Section 13 B. 3.* to read:

A pilot who does not return to active payroll status, or does not begin training required in order to return to active payroll status, within ten years from the beginning of a medical leave will be removed from the seniority list. A pilot who does not successfully complete such training will not be deemed to have returned to active payroll status for purposes of *Section 13 B.*

Note: For purposes of measuring the ten year period under *Section 13 B. 3.:*

- a. For a former NWA pilot receiving a Disability Retirement Pension under the NWA Pension Plan, such ten year period will be measured from the date the Disability Retirement Pension began (regardless of whether the Disability Retirement Pension began before or after CBAID);
- b. For a former NWA pilot receiving disability benefits under the NWA LTD Plan, such ten year period will be measured from the date the disability benefits began (regardless of whether the disability benefits began before or after CBAID); or
- c. For a former NWA pilot on a medical leave on CBAID, or on sick leave on CBAID leading to a medical leave, such ten year period will be measured from the date the medical leave began.

Section 14 **SICK LEAVE**

Amend *Section 14 A.* to add:

10. "NWA sick leave bank" means the accumulated sick leave hours of a former NWA pilot under the NWA CBA as of the day preceding CBAID (or, in the case of a NWA disabled pilot or inactive NWA pilot, as of the day preceding the applicable date under *Section 14 N. 1. Exceptions one through three*).

Amend *Section 14 E. 4.* to read:

Subject to *Section 14 D. 1.*, a pilot is eligible for up to 300 sick leave credit hours at full pay during each rolling three year period measured as of the first day of each twelve month period beginning in June 2006 (rolling three year period), to the extent of his available sick leave credit hours. Once a pilot has used all of his sick leave credit hours at full pay in any rolling three year period, any remaining sick leave credit hours used during the remainder of the rolling three year period will be paid at a rate of 75% of his composite

hourly pay rate. Full pay hours are always used before 75% pay hours.

- a. Example one: Pilot in his 2nd year of employment is eligible for 75 sick leave credit hours. Therefore, 75 hours is all he is eligible to use in the first year of this rolling three year period. All 75 hours will be paid at full pay. If he uses all of his 75 hours in the first year, then he would be eligible for 225 (300-75) sick leave credit hours at full pay in the remaining two years of the rolling three year period.
- b. Example two: Pilot in his 16th year of employment is eligible for 240 sick leave credit hours. Therefore, he is eligible for all 240 sick leave credit hours at full pay in the first year of his rolling three year period. If he used all 240 sick leave credit hours at full pay in the first year of his rolling three year period, he would have 60 sick leave credit hours at full pay remaining in year two or three of the rolling three year period. If in year two, he uses 60 sick leave credit hours at full pay, he would be eligible for 180 sick leave credit hours at 75% of pay in the remainder of year two and 240 sick leave credit hours at 75% of pay in year three.
- c. Example three: Pilot in his 12th year of employment is eligible for 240 sick leave credit hours. Pilot uses 35 sick leave credit hours at full pay in the first year of the rolling three year period, and therefore he is eligible for 265 sick leave credit hours at full pay for the remainder of the rolling three year period. This pilot then uses 180 sick leave credit hours at full pay in year two of the rolling three year period. He then is eligible for 85 sick leave credit hours at full pay in year three. If he exceeds 85 sick leave credit hours at full pay in year three, any additional sick leave will be paid at 75% of his composite hourly pay rate, up to the amount of his remaining sick leave credit hours. As the pilot commences year four, the 35 sick leave credit hours at full pay used in year one will again be available to him at full pay. As he commences year five, the 180 sick leave credit hours at full pay used in year two will again be available to him at full pay.

Add **Section 14 O.** (new) to read:

O. Former NWA Pilots - Sick Leave and Treatment of NWA Sick Leave Bank

1. On CBAID, each former NWA pilot will receive the number of sick leave credit hours under **Section 14 D. 1. a.**, without proration. On CBAID, the NWA sick leave bank of each former NWA pilot will be reduced by the number of sick leave credit hours credited to him under **Section 14 D. 1. a.** A NWA disabled pilot who is on sick leave on CBAID will continue to use his NWA sick leave bank until the earlier of the exhaustion of his NWA sick leave bank or the date he reports for duty and will receive sick leave credit hours under **Section 14 O. 1. Exception one b.** Sick leave hours from the NWA sick leave bank will be paid at current PWA rates, but administered under the terms of the NWA CBA until the transition to the Delta PBS system, at which time the sick leave hours will be administered under **Section 14 E.** and **Section 14 H.** of the PWA .
Exception one: A NWA disabled pilot will receive the sick leave credit hours under **Section 14 D. 1. a.**, without proration and his NWA sick leave bank balance (after the number of sick leave hours used on or after CBAID have been deducted), if any, will be reduced by the number of sick leave hours credited to him under **Section 14 D. 1. a.**, at the following times:

- a. In the case of a NWA disabled pilot who had been receiving a Disability

Retirement Pension from the NWA Pension Plan or disability benefits from the NWA LTD Plan, upon his successful completion of training required to return to flight duty, including OE.

- b. In the case of a NWA disabled pilot who had been on NWA sick leave immediately prior to reporting for duty, when he reports for duty or, if training is required to return to flight duty, upon his successful completion of such training, including OE.

Exception two: An individual who is an inactive NWA pilot immediately prior to reporting for duty, other than an inactive NWA pilot on unpaid medical leave, will receive the sick leave credit hours under **Section 14 D. 1. a.**, without proration and his NWA sick leave bank balance, if any, will be reduced by the number of sick leave credit hours so credited to him under **Section 14 D. 1. a.**, when he reports for duty.

Exception three: An individual who is an inactive NWA pilot on unpaid medical leave immediately prior to reporting for duty, will receive the sick leave credit hours under **Section 14 D. 1. a.**, without proration and his NWA sick leave bank balance, if any, will be reduced by the number of sick leave credit hours so credited to him under **Section 14 D. 1. a.**, upon his successful completion of training required to return to flight duty, including OE.

2. A former NWA pilot's first rolling three-year period under **Section 14 E. 4.** will begin on the June 1 preceding CBAID (without taking into account any sick leave hours he used as an NWA airman before CBAID).

Exception: The first rolling three-year period of a former NWA pilot who is covered by **Section 14 O. 1. Exception one, two or three** will begin on the June 1 immediately preceding the date he is credited with sick leave hours under the applicable **Exception.**

3. After the reduction(s) under **Section 14 O. 1.**, a former NWA pilot's remaining NWA sick leave bank, if any, will be applied as described in **Section 26 V.**

Section 16

CREW AUGMENTATION and INTERNATIONAL OPERATIONS

Amend **Section 16 A. 4.** to add the following Note:

4. "Relief crew" means a relief Captain and a relief First Officer, collectively.

Note: For the 747-200 operation, a relief crew means a relief Captain and a relief Second Officer or a relief First Officer and a relief Second Officer.

Amend **Section 16 C. 1.** and **2.** to read:

1. On flight segments that require a relief crew the aircraft will have a permanent crew rest facility that:
 - a. on the B-777:
 - 1) contains two bunk beds and two relief seats,
 - 2) is located:
 - a) aft of the cockpit,
 - b) in the area above the cabin ceiling, and
 - c) in the vicinity of the door 1 cross aisle.
 - b. on the B-767-300ER:

- 1) contains two bunk beds,
 - 2) is located:
 - a) aft of the cockpit,
 - b) in the area in the forward portion of the business class cabin, and
 - c) in the vicinity of the door 1 cross aisle.
- Note: For specifics, see Joint Recommendations of the B-767-300ER 12+ hour Crew Rest Optimization Team, September 2006.
- c. on the 747-400:
 - 1) contains two bunk beds and one relief seat,
 - 2) is located:
 - a) aft of the cockpit, and
 - b) is accessible through a door just aft of the cockpit door.
 - d. on the 747-200:
 - 1) contains two bunk beds,
 - 2) is located:
 - a) aft of the cockpit, and
 - b) is accessible through a door just aft of the cockpit door.
2. A pilot relief seat will be provided on all aircraft that are scheduled to be operated for more than eight hours but not more than 12 hours, block-to-block.
 - a. On B-777 aircraft:
 - 1) the relief seat will be a standard business class seat for the respective aircraft, except that a footrest addition will provide for horizontal extension of the leg support forward from the seat cushion.
 - 2) the horizontal leg extension will be sufficient in length to provide adequate leg room for pilots up to and including the 97.5th percentile of the adult male population of the U.S.
 - 3) with a business class configuration, the seat immediately beside (i.e., not separated by an aisle) the rest seat will be designated for use as a flight attendant rest seat and will not be available for passenger use if there is less distance between such seats than the B-777 Business Elite configuration (as of November 11, 2004) provides.
 - 4) a standard, floor-length, class-divider curtain will extend on the aisle side of the relief seat from:
 - a) the headrest of the relief seat (when the seat is in the fully reclined position) to the bulkhead forward of the seat, if the relief seat is in the bulkhead position, or
 - b) the headrest of the relief seat (when the seat is in the fully reclined position) to the headrest of the seat forward of the relief seat when the forward seat is in the fully reclined position, if the relief seat is in other than the bulkhead position.
 - 5) between the relief seat and the adjacent seat a standard class-divider curtain will extend the distance between the headrest (when the relief seat is in the fully reclined position) to a point up to but not interfering with the passenger service unit for those two seats, and will extend down to at least the level of the arm rest.

Exception: A pilot relief seat will not be provided on B-777, B-767-300ER, B-747-400 aircraft in which the agreed upon crew rest facility has been installed.

- b. On B-767-300ER and B-767-400ER aircraft:
 - 1) the relief seat will be a standard business class seat except that a footrest addition will provide for horizontal extension of the leg support forward from the seat cushion.
 - 2) the horizontal leg extension will be sufficient in length to provide adequate leg room for pilots up to and including the 97.5th percentile of the adult male population of the U.S.
 - 3) a standard, floor-length, class-divider curtain will extend on the aisle side of the relief seat from the bulkhead aft of the seat to the bulkhead forward of the seat.
 - 4) between the relief seat and the adjacent seat, a standard class-divider curtain will extend from the bulkhead aft of the seat to a point up to but not interfering with the passenger service unit for those two seats, and will extend down to at least the level of the arm rest.
 - 5) with a business class configuration, the seat immediately beside (i.e., not separated by an aisle) the rest seat will be designated for use as a flight attendant rest seat and will not be available for passenger use, if there is less distance between such seats than the B-767-300ER Business Elite configuration (as of November 11, 2004) provides.
- c. On B-767-400 aircraft in a first class configuration, operated to or from Hawaii, the pilot relief seat will:
 - 1) be a first class seat,
 - 2) include a removable leg rest support that:
 - a) is adjustable to horizontal,
 - b) is padded,
 - c) extends the full width of the seat pan,
 - d) extends the full distance between the front of the seat and the obstruction forward of the seat,
 - 3) have a minimum of 46 inches between the seat reference point and the obstruction in front of the seat,
 - 4) include recline adjustable to a maximum of 143 degrees from horizontal,
 - 5) have a seat pan width of no less than 18.5 inches,
 - 6) include an adjustable headrest extension,
 - 7) the seat(s) immediately beside (i.e., not separated by an aisle) the rest seat will be designated for use as a flight attendant rest seat and will not be available for passenger use, and
 - 8) in a single-class configured aircraft the rest seat will be in the first row.
- d. on the A-330 aircraft:
 - 1) the relief seat will be contained in a separate compartment located just aft of the cockpit door which contains:
 - a) one fold-down bunk bed,
 - b) a fold-down relief seat, and
 - c) a jumpseat,
 - 2) and is provided with a lockable door to the compartment.
- e. on the B-757 aircraft the pilot relief seat will:
 - 1) be a Business Class seat;
 - 2) include a leg rest support that:

- a) is adjustable to horizontal,
 - b) is padded and upholstered,
 - c) is a minimum of 18.5 inches wide,
 - d) extends the full distance between the front of the seat and the bulkhead, and
 - e) is sufficient in length to provide adequate leg room for pilots up to and including the 97.5th percentile of the adult male population of the U.S.;
- 3) permit a recline angle up to 143 degrees;
 - 4) have a seat pan width of a minimum of 19.5 inches;
 - 5) include an adjustable headrest extension;
 - 6) include a curtain that will be in compliance with the Joint Recommendations of the B-757 Crew Rest Optimization Team, dated May 2007.

Note: A bassinet will not be placed on the bulkhead forward of the pilot crew rest seat and the bulkhead will not be configured to allow installation of a bassinet.

Note one: On flights operated on B-767-300, B-767-400 or B-757 aircraft that require a pilot crew rest seat, the seat beside the pilot crew rest seat will be the last seat filled in the business class cabin.

Note two: On flights operated on B-767-300, B-767-400 or B-757 aircraft that require a pilot crew rest seat and on which there is a seat in front of the pilot crew rest seat, the seat in front of the pilot crew rest seat will be the second to last seat filled in the business class cabin.

Note three: The Captain of each flight operated on B-767-300, B-767-400 or B-757 aircraft that require a pilot crew rest seat will be provided a statement that indicates whether a passenger has been booked in the seat beside the pilot crew rest seat or, if applicable, the seat in front the pilot crew rest seat.

Amend **Section 16 K.** to read:

K. Crew Luggage

During international operations, to the extent permitted by law or regulation, the Company will permit a pilot, while an operating crewmember, to gate check his luggage. During international operations utilizing B-767-300ER, B-767-400ER, or B-777, B-757, B-747-400, 747-200 and A-330 aircraft with an international seating configuration, a pilot (or two pilots on flights with a relief crew) will be provided an area on board an aircraft for storage of one piece of his luggage (dimensions not to exceed 9" x 14" x 27") that is secure and inaccessible by passengers.

**Section 20
SENIORITY**

Amend **Section 20 B. 1.** to read:

- 1. A pilot will accrue and retain seniority until the earlier of his termination, resignation, retirement, death or attainment of the latest age under Part 121 of the FARs or other applicable statutes that he can serve as a PIC or SIC, at which time he will be removed from the seniority list. A pilot will also cease accruing and retaining seniority on the date he is removed from the seniority list under **Section 13 B. 3.**

Exception one: A pilot who has complied with the requirements of **Section 22 I.** and who bids for and is awarded a position as a second officer, or who remains eligible to be

awarded a position under **Section 22 I.**, will not be removed from the seniority list. Exception two: A prior NWA pilot will not be placed on the seniority list unless he applies, interviews and is selected as a new-hire pilot.

Section 22
FILLING OF VACANCIES

Amend **Section 22 F. 1.** to add the following Note:

1. A surplus notice will be posted at each base as far in advance as possible, but not more than 210 days before the last date on which it could become effective.

Note: With respect to Captain positions, on the 747-400, 747-200, A-330, the transition from Captain augmentation to relief First Officer augmentation will be made on the basis of attrition. No Captains will be displaced from the affected position as a direct result of this change, provided that displacements due to long-term reduction in the number of aircraft in an affected type may occur.

Amend **Section 22 F. 12.** to add the following Note:

Note: A former NWA pilot who held return or reinstatement rights pursuant to the provisions of Section 24.E.10. of the NWA CBA on the day prior to CBAID will retain these rights subject to the following provisions:

- 1) A former NWA pilot will retain these return rights until SOC, subject to the same terms and conditions in the NWA CBA.
- 2) Upon SOC, any former NWA pilot who retains these return rights will transition to the provisions of **Section 22 F. 12.**
- 3) During any vacancy posting prior to Bid Period 5, the former NWA pilot will be limited in his return to the category and classification as Block or Reserve. If his return is subsequent to the last day of Bid Period 4, the classification of Block or Reserve is no longer applicable.
- 4) A pilot who loses his 24.E.10. return rights 180 days after SOC will receive pay protection under the following conditions:
 - a) The pilot will receive the difference between the payrate of the highest position his seniority entitles him to hold and the payrate for the highest paying position for which he lost his 24.E.10. return rights.
 - b) The pay protection will cease at the earlier of:
 - 1) the conversion of a pilot junior to such pilot to a category with a payrate which is equal to or higher than the payrate for the 24.E.10. category, provided the award was the result of a vacancy posting awarded after SOC, or
 - 2) 36 bid periods plus 180 days following SOC.

- 5) The Company will be excused from compliance with this provision in the event a circumstance over which the Company does not have control is the cause of the pilot's inability to hold the 24.E.10. position during the applicable period of pay

protection.

Amend **Section 22 G. 4.** (new) to add:

4. A pilot who is under a category freeze and who has not previously completed training for a mainline Captain position shall nevertheless be eligible to be awarded a Captain position. In such event, the balance of such pilot's existing category freeze shall be added to the category freeze resulting from the Captain position award.

Amend **Section 22 I.** (new) to add:

I. Downbid to Second Officer

A Captain or First Officer who desires to continue in the service of the Company beyond FAA mandatory retirement age may transfer to a Second Officer position under the following terms and conditions:

1. At least 210 days prior to reaching FAA mandatory retirement age, the pilot must file with the Company's Director - Crew Resources & Scheduling a written notice declaring his intention to continue in the service of the Company beyond FAA mandatory retirement age as a Second Officer and stating his category choice(s) in order of preference. A pilot who reaches FAA mandatory retirement age within 210 days following CBAID must provide such notice no later than 30 days following CBAID (whether such date is before or after his FAA mandatory retirement age birthday). Failure to comply with the notice requirements of this paragraph will bar a pilot from continuing beyond FAA mandatory retirement age as a Second Officer. Exception: A former NWA pilot who holds a Second Officer position the day prior to CBAID and any former NWA pilot who, as of CBAID, has given written notice to NWA of his intention to continue flying as a Second Officer beyond the regulated age under the NWA CBA, will be deemed to have satisfied the notice requirement of **Section 22 I. 1.**
2. Effective upon the pilot's FAA mandatory retirement age birthday (or, if a pilot who is covered by the second sentence of **Section 22 I. 1.** reached FAA mandatory retirement age before providing notice, then on the fifth day following the date of the pilot's notice of intention to continue as a Second Officer), subject to the terms of **Sections 22 I. 3.** and **5.**, the pilot who satisfies the provisions of **Section 22 I. 1.** will be converted to the Second Officer category to which his seniority entitles him in accordance with the preference shown on the pilot's notice of intent described in **Section 22 I. 1.**
3. If, on the pilot's conversion date under **Section 22 I. 2.** all positions in every Second Officer category selected are occupied by pilots senior to him, then the pilot will be assigned to the Second Officer category of the Company's choice, where there is a Second Officer junior to him. If there is no such category, the pilot will be placed on an unpaid personal leave of absence for up to five years. While on such leave of absence, the pilot will be awarded the first available Second Officer category position to which his seniority entitles him. He will be notified of his award by registered letter, return receipt requested. A pilot who does not accept and report for such position within 30 days of the date of his receipt of notice of his award, will, barring extraordinary circumstances, be deemed to have voluntarily resigned or retired. A pilot who does not return from an unpaid personal leave of absence under **Section 22**

- I. 3.** within five years from the date it began will be deemed to have voluntarily resigned or retired.
4. At the Company's option, the pilot may be scheduled for training prior to his FAA mandatory retirement age birthday provided he has furnished proof that he holds a flight engineer certificate with a turbo jet rating, or has completed the written portion of the FAA flight engineer turbo jet examination. Such training will not require pre-posting. Training will be paid at the rates of the category held by the pilot at the time the training is accomplished. If the training continues past the pilot's FAA mandatory retirement age birthday, it will be paid at the Second Officer rate in the category for which the pilot is being trained. If due to the lack of training opportunities, the training does not commence until after such pilot reaches FAA mandatory retirement age, he will be paid at the rates applicable to the Second Officer category to which he is converted, commencing on his FAA mandatory retirement age birthday.
 5. Prior to the pilot's conversion date under **Section 22 I. 2.**, the pilot must submit to the Director - Crew Resources & Scheduling proof that he holds a flight engineer certificate with a turbo jet rating, or has successfully completed the written portion of the FAA flight engineer Turbo jet examination. A pilot who does not submit such proof as required will, upon reaching FAA mandatory retirement age, be deemed to have voluntarily resigned or retired.
 6. The pilot must meet all FAA medical requirements for the Second Officer position at the time he commences training for his Second Officer position.
 7. Moving expenses incurred by a pilot who transfers, other than at Company request, to a Second Officer category position in order to serve past FAA mandatory retirement age will not be reimbursed.
 8. A pilot in a Second Officer category beyond FAA mandatory retirement age, who becomes surplus at a time when his seniority is insufficient to permit him to continue to hold any position in a Second Officer category, will be placed on an unpaid personal leave of absence for a maximum of five years. A pilot on such unpaid leave of absence will be offered the opportunity to return to service to the first available position in a Second Officer category which his seniority is sufficient to permit him to hold. Such offer will be sent by registered letter, return receipt requested. The pilot will promptly notify the Company of his acceptance or rejection of the offer and must report within 30 days of receipt of the offer letter. A pilot who does not accept such offer or who does not report as required will, barring extraordinary circumstances, be deemed to have voluntarily resigned or retired. A pilot who does not return from an unpaid personal leave of absence under **Section 22 I. 8.** within five years from the date it began will be deemed to have voluntarily resigned or retired.
 9. Upon conversion to a Second Officer category, the pilot will re-bid his vacation.
 10. If, after the pilot's FAA mandatory retirement age birthday, all positions in every Second Officer category are eliminated, then the pilot will be deemed to have voluntarily resigned or retired as of the first day of the first bid period following the elimination of every Second Officer category.
 11. A pilot who is on medical leave prior to reaching FAA mandatory retirement age, may file a written notice under **Section 22 I. 1.**, at the time specified under **Section 22 I. 1.**, declaring his intention to remain available to return to the service of the

Company beyond FAA mandatory retirement age as a Second Officer, in the event he recovers from disability. Failure to comply with this notice requirement will bar the pilot from returning to the service of the Company beyond FAA mandatory retirement age as a Second Officer. A pilot who complies with the notice requirement and does not return from medical leave will be deemed to have voluntarily resigned or retired at the earlier of five years and 210 days after the latest date under which written notice could have been provided under *Section 22 I. 1.* or ten years after his medical leave began, under *Section 13 B. 3.*

**Section 23
SCHEDULING**

Amend *Section 23 I. 7.* to read:

7. A PD request will be granted if, at the time of processing, reserve availability is sufficient (as determined by the reserves required formula under *Section 23 W.*, and as shown in DBMS).

Note one: In an international category, a reserve pilot’s PD request may be denied if granting the request does not maintain a minimum separation equal to the greater of the number of days in the longest published rotation in the category, not to exceed four days, between the PD requested day and:

- a) X-day blocks,
- b) a training day(s),
- c) a vacation day(s),
- d) an already granted PD/APD day(s), or
- e) a day(s) of jury duty.

Note two: If an international category reserve pilot is subject to an MSL, as published in the bid package, a PD request may be denied (See *Section 12 N. 9. e. Exception*) if granting the request does not maintain the minimum separation published in the bid package between the PD requested day and:

- a) X-day blocks,
- b) a training day(s),
- c) a vacation day(s),
- d) an already granted PD/APD day(s), or
- e) a day(s) of jury duty.

Note three: The pilot may contact his Chief Pilot, who may grant a requested PD.

Amend *Section 23 S. 2. c.* to read:

- c. converted to short call:
 - 1) on an X-day, or
 - 2) in excess of the number stated in the following chart:

<u>Reserve Days in Bid Period</u>	<u>Short Calls</u>
26 - 31	6
21 - 25	5
16 - 20	4
11 - 15	3

6 - 10	2
3 - 5	1
0 - 2	0

Note: "Reserve Days in Bid Period" in the chart in **Section 23 S. 2. c. 2)** will:

- a) be calculated as of the beginning of the first day of the bid period, and
- b) include all personal drop days.

Exception one: A reserve pilot may be converted to short call more than six times in a bid period pursuant to a yellow slip(s) that is awarded after the pilot has already completed six short call periods.

Exception two:.....

Delete **Section 23 S. 1. f.**

Amend **Section 23 U. 1. a.** and **b.** to read:

1. GS

a. A regular pilot who has flown a GS rotation:

- 1) will receive single pay and credit for the portion of his GS rotation that brings him to the lesser of:
 - a) the ALV, or
 - b) 75 hours, and
- 2) will receive double pay, no credit for the portion of his GS rotation that exceeds the lesser of:
 - a) the ALV, or
 - b) 75 hours.
- 3) may use up to five hours of his bank, prior to accounting for the GS rotation, to bring his projection to the lesser of:
 - a) the ALV, or
 - b) 75 hours.

Note: A pilot's vacation and CQ training in the bid period will be considered as pay and credit for purposes of determining if he has met the ALV or 75 hour threshold in such bid period (and not for any other purpose).

b. A reserve pilot who has flown a GS rotation(s) will receive:

- 1) single pay and credit for the portion of such rotation(s) flown on his reserve on-call days that occurred before the pilot's accumulated credit exceeded the ALV (applied against his reserve guarantee),

and

- 2) single pay, no credit (in addition to any other form of pay and credit for the bid period) for the portion of such rotation(s) that:
 - a) interrupted his X-day(s), or
 - b) occurred after his accumulated credit equaled the ALV,

Note one: A reserve pilot who flies a GS rotation into an X-day(s) is entitled to additional time free of duty under **Section 23 S. 11.**

Note two: A reserve pilot awarded a GS rotation in which all duty periods of the rotation are scheduled to operate on on-call days may request that one X-day that coincides with a day on which the pilot does not have a duty period within the GS rotation be moved to the first day of the GS rotation.

Amend **Section 23 U. 2.** to read:

2. **GSWC**

A pilot will be removed from a rotation(s) on his regular line that conflicts with a GSWC rotation(s). Such pilot will receive single pay and credit plus single pay, no credit for the greater of the flown or removed rotation(s).

Amend **Section 23 U. 3. b.** to read:

- b. A reserve pilot who has flown an inversely assigned rotation(s) will receive:
- 1) single pay and credit for the portion of such rotation(s) flown on his reserve on-call days (applied against his reserve guarantee), and
 - 2) single pay, no credit for the portion of such rotation(s) that interrupted his X-day(s) (in addition to any other pay and credit for the bid period).

Note one: A reserve pilot who flies an inverse assignment rotation into an X-day(s) is entitled to additional time free of duty under **Section 23 S. 11.**

Note two: A reserve pilot inversely assigned to a rotation in which all duty periods of the rotation are scheduled to operate on on-call days may request that one X-day that coincides with a day on which the pilot does not have a duty period within the IA rotation be moved to the first day of the IA rotation.

Synch all other provisions and examples.

**Section 24
GENERAL**

Amend **Section 24 D. 4.** to read:

4. All “Jumpseat Flow Back” programs in place on CBAID will be maintained by the Company as long as they continue to be reciprocal.

**Section 25
MEDICAL, DENTAL, OPTIONAL LIFE AND ACCIDENT INSURANCE BENEFITS**

Amend **Section 25 A. 3.** to read:

3. “Base premium” means the premium developed each year separately for each of the options offered under the DPMP and DFCMP excluding HMOs and fully insured options, for retirees and survivors, from the combined experience of a population composed of all retirees and survivors (pilot retirees and survivors and other retirees and survivors) participating in the DPMP and the DFCMP excluding HMOs and fully insured options. In the case ...

Amend **Section 25 A. 6.** to read:

6. “Disability status,” “disability” or “disablement” means being eligible for and receiving disability benefits from the D&S Plan.

Exception: This definition does not apply to a NWA disabled pilot.

Amend **Section 25 A. 11.** to read:

11. "Pilot retiree" means a pilot who retired after January 1, 1997 or a former NWA pilot who retired after CBAID.

Exception: A NWA disabled pilot is not a pilot retiree.

Amend **Section 25 A. 13.** to read:

13. "Retired" means the termination of the pilot's employment under circumstances that enable him to receive an early, normal or deferred retirement benefit under the Delta Pilots Retirement Plan or the DC Plan, or an early, normal, late or deferred retirement pension (but not a terminated vested benefit) under the NWA Pension Plan or if his only benefit is in the NWA MP3 and/or the NWA RSP and he is at least age 50 at termination of employment, a distribution under the NWA MP3 and/or the NWA RSP.

Note: A NWA disabled pilot is not considered retired.

Amend **Section 25 A. 14.** to read:

14. "Retirement date" means the early, normal, late or deferred retirement date (but not terminated vested benefit commencement date), whichever is applicable, as defined in the Delta Pilots Retirement Plan, the DC Plan, or the NWA Pension Plan or in the case of a pilot who has only a benefit in the NWA MP3 and/or the NWA RSP and is at least age 50, his date of termination of employment.

Amend **Section 25 A. 15.** to read:

15. "Survivor" or "eligible survivor" means an individual who is entitled to receive monthly income survivor benefits under the D&S Plan, but only for so long as such person is eligible for such benefits. After January 1, 2008 "survivor" or "eligible survivor" means the spouse or child of the deceased pilot/pilot retiree, who would be eligible for benefits under the D&S Plan in effect on June 1, 2006.

In addition, "survivor" or "eligible survivor" means the spouse or child (as those terms are defined in the D&S Plan) of a deceased former NWA pilot.

Exception: The spouse or child of a deceased NWA disabled pilot is not a survivor or eligible survivor as those terms are defined in the D&S Plan.

Amend **Section 25 A. 16.** to read:

16. "Total projected costs" for the DPMP for each calendar year (including the DPMP Option N for the calendar year 2010 and later) will be determined by an actuary selected by the Company and will be developed from the combined experience of a population composed of all of the Company's active employees participating in medical and dental plans excluding HMOs and fully insured options. The Company's actuary...

Amend **Section 25 A.** to add the following definitions (new):

17. "DPMP Option N" means the medical and dental benefit option offered under the DPMP effective January 1, 2010 that is equivalent to the NWA Health Plan as it existed on January 1, 2008 (other than the basis for calculating the total projected costs).

18. "Former NWA pilot" means a pilot who was an employee of NWA and whose name appeared on the NWA seniority list on the day preceding CBAID.
19. "Inactive NWA pilot" means a former NWA pilot who on CBAID was not in active payroll status, including but not limited to furlough, military leave exceeding 30 consecutive days, personal leave, family leave, medical leave, maternity leave or disciplinary suspension.
Note one: A former NWA pilot on union leave is not an inactive NWA pilot.
Note two: A NWA disabled pilot is not an inactive NWA pilot.
20. "NWA" means Northwest Airlines, Inc.
21. "NWA CBA" means the terminated NWA pilots' collective bargaining agreement that was in effect on the day preceding CBAID.
22. "NWA disabled pilot" means a former NWA pilot whose disabling condition arose prior to CBAID and is eligible for and receiving disability benefits from either the NWA Pension Plan or the NWA LTD Plan on or after CBAID. A former NWA pilot who is on NWA sick leave at CBAID is considered a NWA disabled pilot while he remains on NWA sick leave after CBAID.
23. "NWA Health Plan" as of any date means the plan providing medical and dental benefits that is in effect under the NWA CBA.
24. "NWA LTD Plan" means the Northwest Airlines LTD Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related VEBA (until the time the related VEBA is terminated under **Section 26 V. 8.**), and all applicable letters of agreement between NWA and the Association.
Exception: Effective on CBAID, the 18-month rule under Section 22 D. 3. of the NWA CBA will no longer apply.
25. "NWA MP3" means the Northwest Airlines Money Purchase Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, Letter of Agreement 2007-11 between NWA and the Association and any other applicable letters of agreement between NWA and the Association, the final term sheets and addenda dated December 7, 2007, but only to the extent such documents relate to the Northwest Airlines Money Purchase Plan for Pilot Employees and subject to the changes and amendments described in **Section 26 W. 3.**
26. "NWA Pension Plan" means the Northwest Airlines Pension Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, and all applicable letters of agreement between NWA and the Association.
Exception: Effective on CBAID, the 18-month rule under Section 22 D.3. of the NWA CBA will no longer apply.
27. "NWA RSP" means the Northwest Airlines Retirement Savings Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, and all applicable letters of agreement between NWA and the Association and subject to the changes and amendments described in **Section 26 W. 2.**
28. "NWA seniority list" means the NWA integrated pilots system seniority list.

29. "Prior NWA pilot" means an individual who is not a former NWA pilot but whose name appeared on the NWA seniority list at any date prior to the day preceding CBAID.

Amend **Section 25 B. 1.** to add Exceptions three, four and five to read:

Exception three: A former NWA pilot who is not excluded under **Section 25 B. 1. Exception one** or **Exception five** will be eligible for medical and dental benefits under **Section 25 B.**, but he may elect only the NWA Health Plan for the period before January 1, 2010.

Beginning with the open enrollment period for 2010, he will be eligible to elect annually the same options as any other pilot, under **Section 25 B.**

Exception four: For the period before January 1, 2010, a former NWA pilot who receives disability benefits from the D&S Plan, including a former NWA pilot described in **Section 26 V. 1. d.** and **Section 26 V. 2. c.**, will be eligible only for the NWA Health Plan. During such period, he will pay the same percentage of premium as an active former NWA pilot.

Beginning with the open enrollment period for 2010, he will be eligible to elect annually the same options as any other pilot, and will pay the same premiums as any other pilot, under **Section 25 B.**

Exception five: A NWA disabled pilot may elect only the NWA Health Plan and will pay the premiums that would have been required under the NWA CBA (e.g. the premium structure under the NWA CBA applicable to active NWA airmen while exhausting NWA sick leave bank and the premium structure under the NWA CBA applicable to recipients of disability benefits under the NWA Pension Plan or NWA LTD Plan).

Amend **Section 25 B. 2.** to delete the superfluous center columns from the two tables therein, and to insert a new third table after the second table, and before the **Exception**, as follows:

DPMP Option N	
2010 and thereafter	27% of total projected costs for the applicable year

Amend **Section 25 B. 6.** to read:

The Company will establish flexible spending account plans (FSA Plans) in which pilots may participate while on active payroll status.

Exception: A former NWA pilot who is on active payroll status will not participate in the FSA Plans until January 1, 2010 but between CBAID and January 1, 2010 will be eligible for any FSA Plans provided for in the NWA CBA.

Amend the title of **Section 25 C.** to read:

C. Medical and Dental Benefits for Pilot Retirees

Amend **Section 25 C. 1. a., Section 25 C. 2. a., Section 25 C. 3. a.,** and **Section 25 C. 4. a.** to add at the end of each the following Exception:

Exception: Until January 1, 2010, a former NWA pilot who retires may only elect the NWA Health Plan.

Amend each of **Section 25 C. 1. b., Section 25 C. 2. b., Section 25 C. 3. c.** and **Section 25 C. 4. c.,** as follows:

For each option under the DPMP, the premium is as follows:

...

Amend **Section 25 C. 1.** to add:

- d. A former NWA pilot who retires will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 C. 2.** to add:

- d. A former NWA pilot who retires will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 C. 3.** to add:

- e. A former NWA pilot who retires will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 C. 4.** to add:

- e. A former NWA pilot who retires will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Add **Section 25 C. 7.** to read:

- 7. For purposes of **Section 25 C.**, a former NWA pilot's years of service will mean his longevity.

Amend **Section 25 D. 1. a.** to add:

Exception: The survivor of a former NWA pilot who dies while in the active service of the Company or dies while disabled before January 1, 2010 may only elect the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 D. 1. b.** to read:

The premium for each option under the DPMP, until ...

Amend **Section 25 D. 1. c.** to read:

The premium for each option under the DPMP, after ...

Amend **Section 25 D. 1.** to add:

- e. The survivor of a former NWA pilot who dies before January 1, 2010 will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 D. 2. a.** to add the following Exception:

Exception: The survivor of a former NWA pilot who becomes a pilot retiree and dies before January 1, 2010 may only elect the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 D. 2. b.** to read:

The premium for each option under the DPMP, until ...

Amend **Section 25 D. 2. c.** to read:

The premium for each option under the DPMP, after ...

Amend **Section 25 D. 2.** to add:

- e. The survivor of a former NWA pilot who becomes a pilot retiree and dies before January 1, 2010 will pay the premium required by the NWA CBA for the NWA Health Plan for the period before January 1, 2010.

Amend **Section 25 F.** to add:

4. A former NWA pilot will not be eligible to participate in the vision program until January 1, 2010.

Delete "or" at end of **Section 25 G. 1. b.**, add "or" at end of **Section 25 G. 1. c.**, and add **Section 25 G. 1. d.** (new), to read:

- d. Effective beginning January 1, 2010, the DPMP Option N.

Amend **Section 25 G. 2.** to read:

2. The DPMP described in **Section 25 G. 1. a., b., and c.** will include all...

Amend **Section 25 H. 1.** to read:

1. a. Beginning January 1, 2009, each pilot may purchase optional additional group life insurance, in any amount desired, in multiples of \$25,000 up to a maximum amount of \$1.5 million.

Exception: For the period between CBAID and January 1, 2010, a former NWA pilot may elect the amount of optional life insurance provided in the NWA CBA.

- b. No later than January 1, 2010, separate smoker and nonsmoker rates will apply to the optional additional life insurance in **Section 25 H. 1. a.**

Exception: On January 1, 2010, the amount of optional life insurance offered to a former NWA pilot without evidence of insurability will be no less than the amount of optional life insurance coverage the former NWA pilot had actively in force on December 31, 2009, rounded up to the next highest \$25,000 increment.

Add **Section 25 H. 5.** (new) to read:

- 5. a. Until January 1, 2010, each pilot may purchase optional group life insurance on the life of his or her spouse in available amounts up to a maximum amount of \$100,000. Exception: For the period between CBAID and January 1, 2010, a former NWA pilot may elect the amount of optional life insurance provided in the NWA CBA.
- b. Effective no later than January 1, 2010, each pilot may purchase optional group life insurance on the life of his or her spouse, in any amount desired, in multiples of \$25,000 up to a maximum of the lesser of \$250,000 or 50% of the amount of optional additional life insurance that the pilot maintains pursuant to **Section 25 H. 1.** Effective at that time, separate smoker and nonsmoker rates will apply to such optional life insurance on the life of the spouse. Exception: A former NWA pilot who, immediately prior to CBAID (or, if later, the date applicable him under **Section 25 V. 4.**), is purchasing an amount of such insurance in excess of \$250,000 may continue to purchase such higher amount.

Add an Exception to **Section 25 I. 5.**

Exception: This provision does not apply to prior NWA pilots or their surviving family members.

Add an Exception to **Section 25 J. 4.**

Exception: For the period between CBAID and January 1, 2010, a former NWA pilot may elect the amount of accident insurance for private flying, if any, provided in the NWA CBA.

Amend **Section 25 M. 2.** and **Section 25 M. 5.** to add the NWA Pilots LTD Plan.

Amend **Section 25 P.** to add an **Exception** to read:

Exception: Until January 1, 2010, a former NWA pilot will be provided with domestic partner medical benefits under the NWA CBA and/or NWA corporate policy.

Amend **Section 25 S.** to read:

Exception one: A former NWA pilot who becomes a pilot retiree prior to January 1, 2010 and his eligible family members will have COBRA rights as appropriate under the NWA Health Plan, and commencing January 1, 2010 will be offered the retiree medical options as provided in **Section 25 C.**

Exception two: The survivor of a former NWA pilot who dies before retirement and would have reached age 60 prior to January 1, 2010 will have COBRA rights as appropriate under

the NWA Health Plan, and commencing January 1, 2010, will be offered the survivor medical options as provided in **Section 25 D**.

Add **Section 25 U**. (new) to read:

U. Prior NWA Pilots - Medical, Dental and Optional Insurance Benefits and Survivor Benefits

1. **Section 25 U**. applies to a prior NWA pilot and his eligible survivors under the NWA CBA (or under the terms of any prior NWA collective bargaining agreement, as applicable). **Section 25 U**. does not apply to an individual covered by the order of the bankruptcy court in the NWA bankruptcy case pursuant to section 1114 of the bankruptcy code with respect to benefits covered by such order.
2. The Company will provide an individual to whom **Section 25 U**. applies with the following benefits, if any, to which he is entitled under the NWA CBA (or under the terms of any prior NWA collective bargaining agreement, as applicable):
 - a. Medical and dental benefits,
 - b. COBRA benefits,
 - c. Optional life and dependent life insurance benefits, and optional AD&D insurance benefits, to the extent such insurances remain commercially available, and provided the individual pays the full cost of such insurances,
 - d. Pre-retirement survivor medical and dental benefits, and
 - e. Post-retirement survivor medical and dental benefits.
3. Nothing in this **Section 25 U**. will be interpreted to mean that the dollar amount of the premiums for the coverages described in **Section 25 U. 2. a. – e.** will not change.

Add **Section 25 V**. (new) to read:

V. NWA Disabled Pilots and Inactive NWA Pilots - Medical, Dental and Optional Insurance Benefits and Survivor Benefits

1. **Section 25 V**. applies to a NWA disabled pilot and an inactive NWA pilot and eligible survivors under the NWA CBA, unless and until he returns under **Section 25 V. 4**. **Section 25 V**. does not apply to an individual covered by the order of the bankruptcy court in the NWA bankruptcy case pursuant to section 1114 of the bankruptcy code with respect to benefits covered by such order.
2. The Company will provide an individual to whom **Section 25 V**. applies with the following benefits, if any, to which he is entitled under the NWA CBA:
 - a. Medical and dental benefits,
 - b. COBRA benefits,
 - c. Optional life and dependent life insurance benefits, and optional AD&D insurance benefits, to the extent such insurances remain commercially available, and provided the individual pays the full cost of such insurances,
 - d. Pre-retirement survivor medical and dental benefits, and
 - e. Post-retirement survivor medical and dental benefits.
3. Nothing in this **Section 25 V**. will be interpreted to mean that the dollar amount of the premiums for the coverages described in **Section 25 V. 2. a. – e.** will not change.
4. A NWA disabled pilot or inactive NWA pilot will become eligible for the benefits provided to pilots under **Section 25** at the following times:

- a. In the case of an NWA disabled pilot who had been receiving a Disability Retirement Pension from the NWA Pension Plan, upon his successful completion of qualification training,
- b. In the case of an NWA disabled pilot who had been receiving disability benefits from the NWA LTD Plan, when he presents a first class medical certificate to the Company and the Company determines that he meets the applicable physical standards under **Section 15 B.**,
- c. In the case of an NWA disabled pilot who had been on NWA sick leave immediately before his return to duty, when he reports for duty, or
- d. In the case of an inactive NWA pilot, when he returns to active payroll status under **Section 13 C.** and **Section 15 B.**, if applicable.

Section 26

RETIREMENT, BASIC LIFE INSURANCE, DISABILITY AND SURVIVOR BENEFITS

Amend **Section 26 A. 10.** to read:

10. "Disability status," "disability" or "disablement" means being eligible for and receiving disability benefits from the D&S Plan.

Exception: This definition does not apply to a NWA disabled pilot.

Amend **Section 26 A. 14.** to read:

14. "Pilot retiree" means a pilot who retired after January 1, 1997 or a former NWA pilot who retired after CBAID.

Exception: A NWA disabled pilot is not a pilot retiree.

Amend **Section 26 A. 16.** to read:

16. "Retired" means the termination of the pilot's employment under circumstances that enable him to receive an early, normal or deferred retirement benefit under the Delta Pilots Retirement Plan or the DC Plan, or an early, normal, late or deferred retirement pension (but not a terminated vested benefit) under the NWA Pension Plan or if his only benefit is in the NWA MP3 and/or the NWA RSP and he is at least age 50 at termination of employment, a distribution under the NWA MP3 and/or the NWA RSP.

Note: A NWA disabled pilot is not considered retired.

Amend **Section 26 A. 18.** to read:

18. "Retirement date" means the early, normal, late or deferred retirement date (but not terminated vested benefit commencement date), whichever is applicable, as defined in the Delta Pilots Retirement Plan, the DC Plan, or the NWA Pension Plan or in the case of a pilot who has only a benefit in the NWA MP3 and/or the NWA RSP and is at least age 50, his date of termination of employment.

Amend **Section 26 A.** to add following definitions (new):

27. "DPMA" means Delta Pilots Mutual Aid.

28. "DPMA disability benefit" means the optional supplemental disability benefit payable by DPMA to an eligible DPMA participant.

29. "DPMA equivalent disability benefit" means the optional supplemental disability benefit

payable to a former NWA pilot who is eligible for and elects coverage under **Section 26 V. 4. b.**

30. "DPMA premium" means the dollar amount charged by DPMA for participation in DPMA.
31. "Earnings" means, for the purposes of a retirement or welfare benefit plan under **Section 26**, the amount of a participant's remuneration that forms the basis for contributions or benefits under that plan.
32. "Former NWA pilot" means a pilot who was an employee of NWA and whose name appeared on the NWA seniority list on the day preceding CBAID.
33. "Inactive NWA pilot" means a former NWA pilot who on CBAID was not in active payroll status, including but not limited to furlough, military leave exceeding 30 consecutive days, personal leave, family leave, medical leave, maternity leave or disciplinary suspension.
Note one: A former NWA pilot on union leave is not an inactive NWA pilot.
Note two: An NWA disabled pilot is not an inactive NWA pilot.
34. "NWA" means Northwest Airlines, Inc.
35. "NWA CBA" means the terminated NWA pilots' collective bargaining agreement that was in effect on the day preceding CBAID.
36. "NWA disabled pilot" means a former NWA pilot whose disabling condition arose prior to CBAID and is eligible for and receiving disability benefits from either the NWA Pension Plan or the NWA LTD Plan on or after CBAID. A former NWA pilot who is on NWA sick leave at CBAID is considered a NWA disabled pilot while he remains on NWA sick leave after CBAID.
37. "NWA Excess Plan" means the Northwest Airlines Pension Excess Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, and all applicable letters of agreement between NWA and the Association.
38. "NWA LTD Plan" means the Northwest Airlines LTD Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related VEBA (until the time the related VEBA is terminated under **Section 26 V. 8.**), and all applicable letters of agreement between NWA and the Association.
Exception: Effective on CBAID, the 18-month rule under Section 22 D.3. of the NWA CBA will no longer apply.
39. "NWA MP3" means the Northwest Airlines Money Purchase Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, Letter of Agreement 2007-11 between NWA and the Association and any other applicable letters of agreement between NWA and the Association, the final term sheets and addenda dated December 7, 2007, but only to the extent such documents relate to the Northwest Airlines Money Purchase Plan for Pilot Employees and subject to the changes and amendments described in **Section 26 W. 3.**
40. "NWA Pension Plan" means the Northwest Airlines Pension Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, and all applicable letters of agreement between NWA and the Association.

Exception: Effective on CBAID, the 18-month rule under Section 22 D. 3. of the NWA CBA will no longer apply.

41. "NWA RSP" means the Northwest Airlines Retirement Savings Plan for Pilot Employees as established and maintained the day prior to CBAID under the governing documentation in effect at that date, including, without limitation, the Plan Statement as amended, the related trust, and all applicable letters of agreement between NWA and the Association and subject to the changes and amendments described in **Section 26 W. 2.**
42. "Prior NWA pilot" means an individual who is not a former NWA pilot but whose name appeared on the NWA seniority list at any date prior to the day preceding CBAID.
43. "Top-up disability benefit" means the supplemental disability benefit payable to a former NWA pilot under **Section 26 V. 5.**

Amend **Section 26 B.2.** to add, before the period:
and DPSP

Add **Section 26 B. 4.** to read:

4. The Company will pay the full cost of providing benefits under the NWA Pension Plan, the NWA Excess Plan, the NWA RSP, the NWA MP3 and the NWA LTD Plan.

Amend **Section 26 D. 1.** to read:

1. Irrespective of any contrary provisions of the D&S Plan, the DPSP, the DC Plan, the NWA Pension Plan, the NWA Excess Plan, the NWA RSP, the NWA MP3 and the NWA LTD Plan, the Company agrees that such Plans ...

Amend the list in **Section 26 E. 1. a.** to read:

- 1) D&S Plan
- 2) DC Plan
- 3) DPSP
- 4) NWA Pension Plan
- 5) NWA Excess Plan
- 6) NWA RSP
- 7) NWA MP3
- 8) NWA LTD Plan

Amend **Section 26 H. 1., H. 2., H. 3., H. 4. and H. 5.** to add the NWA Pension Plan, the NWA Excess Plan, the NWA RSP, the NWA MP3 and the NWA LTD Plan. After this Agreement becomes effective, the parties will promptly enter into a Memorandum of Understanding setting forth the modifications necessary to add these Plans to **Section 26 H. 1., H. 2., H. 3., H. 4. and H. 5.**, such modifications to be consistent with the provisions that apply to similar types of plans under **Section 26** (including defined benefit plans as provided in **Section 26. S. 10.**).

Amend **Section 26 I. 1.** to add:

- c. NWA Pension Plan
- d. NWA Excess Plan
- e. NWA RSP
- f. NWA MP3

g. NWA LTD Plan

Amend **Section 26 I. 2.** to read:

The terms of the plans in **Section 26 I. 1.**, as amended, will control ...

Amend **Section 26 L. 1.** to read:

1. While in disability status receiving benefits from the D&S Plan (not from the NWA Pension Plan or NWA LTD Plan), a pilot, and a former pilot who has been removed from the seniority list under **Section 13 B. 3.** after June 1, 2006 (due to exceeding ten years on disability), will receive Company contributions to the DPSP, on the same basis as a pilot on active payroll status, but using as earnings the amount of the disability benefit less income from employment that exceeds the calculated disability amount, if any, the result of which will be multiplied by two. In no event will contributions be made following retirement or beyond the later of FAA mandatory retirement age or the date disability benefits cease. If contributions are ceased due to reaching the FAA mandatory retirement age, in no event will such contributions be resumed should the FAA mandatory retirement age increase.

Exception one: A former NWA pilot placed on the NWA seniority list after September 1, 2007 and receiving benefits from the NWA LTD Plan will receive Company contributions to the DPSP as provided under **Section 26 L. 1.**, at the time specified in **Section 26 W. 5. a.**, but, using as earnings the amount of earnings upon which the disability benefit under the NWA LTD Plan is based (not multiplied by two and not subject to offsets).

Exception two: A former NWA pilot placed on the NWA seniority list on or before September 1, 2007 and receiving benefits from the D&S Plan or NWA LTD Plan will receive (in addition to Company residual contributions to the DPSP specified under **Section 26 W. 2. e.**) Company contributions to the DPSP specified under **Section 26 L. 1.**, at the time specified in **Section 26 W. 5. b.**, but, in the case of a former NWA pilot receiving disability benefits from the NWA LTD Plan, using as earnings the amount of earnings upon which the disability benefit under the NWA LTD Plan is based (not multiplied by two and not subject to offsets).

Amend **Section 26 M.** to read:

In the event of an overpayment from the D&S Plan, DC Plan, NWA Pension Plan, NWA Excess Plan, NWA RSP, NWA MP3 or NWA LTD Plan, a Plan participant ...

Amend **Section 26 N.** to read:

1. Effective with respect to earnings paid on and after January 1, 2010, the Company contribution to the DC Plan will be 10% of earnings. Effective with respect to earnings paid on or after January 1, 2011, the Company contribution to the DC Plan will be 11% of earnings. Effective with respect to earnings paid on or after January 1, 2012, the Company contribution to the DC Plan will be 12% of earnings.

Exception one: A former NWA pilot who was not included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list after September 1, 2007) will be eligible to receive Company contributions to the DC Plan as specified in **Section 26 W. 4. a.**

Exception two: A former NWA pilot who was a participant in the NWA MP3 (i.e. a pilot

placed on the NWA seniority list on or before September 1, 2007, including a pilot whose Target Contribution under the NWA MP3 is zero) will receive Company contributions to the DC Plan as specified in **Section 26 W. 4. b.**

2. Amend DC Plan to reflect the following:

While in disability status receiving benefits from the D&S Plan (not from the NWA Pension Plan or NWA LTD Plan), a pilot, and a former pilot who has been removed from the seniority list under **Section 13 B. 3.** after June 1, 2006 (due to exceeding ten years on disability), will receive Company contributions to the DC Plan, on the same basis as a pilot on active payroll status, but using as earnings the amount of the disability benefit less income from employment that exceeds the calculated disability amount, if any, the result of which will be multiplied by two. In no event will contributions be made following retirement or beyond the later of FAA mandatory retirement age or the date disability benefits cease. If contributions are ceased due to reaching the FAA mandatory retirement age, in no event will such contributions be resumed should the FAA mandatory retirement age increase.

Exception one: A former NWA pilot placed on the NWA seniority list after September 1, 2007 and receiving benefits from the D&S Plan or NWA LTD Plan will receive Company contributions to the DC Plan as specified in **Section 26 W. 4. a.** For such a former NWA pilot receiving benefits from the NWA LTD Plan, earnings will be the amount of earnings upon which the disability benefit under the NWA LTD Plan is based (not multiplied by two and not subject to offsets).

Exception two: A former NWA pilot placed on the NWA seniority list on or before September 1, 2007 and receiving benefits from the D&S Plan or NWA LTD Plan will receive Company contributions to the DC Plan as specified in **Section 26 W. 4. b.** For such a former NWA pilot receiving benefits from the NWA LTD Plan, earnings will be the amount of earnings upon which the disability benefit under the NWA LTD Plan is based (not multiplied by two and not subject to offsets).

Add **Section 26 P. 4.** to read:

4. Amend the VEBA Trust to provide that, effective beginning with the calendar quarter containing CBAID, the Company will contribute to the VEBA Trust within 60 days after the end of each calendar quarter an amount of money equal to the actual amount of disability benefits (i.e., temporary disability benefits, long term disability benefits, top-up disability benefits and DPMA equivalent disability benefits) paid from the D&S Plan paid to a former NWA pilot and the actual amount of premiums paid from the D&S Plan to provide the basic and retiree life insurance under **Section 26 K.** for former NWA pilots for that calendar quarter.

Amend **Section 26 R.** to read:

The DC Plan, D&S Plan, and those of the NWA Pension Plan, NWA Excess Plan, NWA RSP, NWA MP3 and NWA LTD Plan that provide for a beneficiary designation will provide that a participant's designation of a beneficiary under such Plan applies only to benefits under that Plan.

Amend **Section 26 U.**, effective on CBAID, to read:

U. Excess Payments on Account of Limits under DC Plan, DPSP, NWA RSP, and NWA MP3

1. Contributions to the DC Plan, the DPSP, the NWA RSP and NWA MP3 (individually, a Plan, collectively, the Plans) will not be made on earnings in excess of the compensation limit of Code Section 401(a)(17), nor will contributions be made in excess of the contribution limit of Code Section 415(c).
2. Effective beginning with the plan year containing CBAID, once a pilot reaches either limit for a plan year, the Company will pay any further contributions to the pilot in cash. These amounts will be known as the excess payments (and are defined as such in the DC Plan, and will be defined as such in the DPSP, NWA RSP and NWA MP3). Exception one: For a former NWA pilot, for the plan year containing CBAID, excess payments attributable to either limit under the Plans will be made only with respect to earnings earned after CBAID.
Exception two: For a pilot other than a former NWA pilot, for the plan year containing CBAID, excess payments attributable to the 401(a)(17) limit under the DPSP will be made only with respect to earnings earned after CBAID.
3. If the excess payments are attributable to the 401(a)(17) limit, they will be made at the same time as contributions would have been made to the Plan, but for the limit.
4. If the excess payments are attributable to the 415(c) limit, they will be made at the earliest of the following times: (a) once per year, not later than 75 days after the end of the plan year; (b) within 45 days of the retirement or termination of a pilot who retires or terminates prior to the end of a plan year; or (c) at the time required by **Section 26 Q. 3.** or **Section 26 U. 5.**
5. Notwithstanding anything to the contrary in **Section 26 U. 2.** regarding the 415(c) limit, beginning with the plan year containing CBAID, in any plan year in which there is a Company contribution to a Plan as a result of the equity allocation paid in connection with the merger of NWA and the Company (whether paid in securities and/or cash), once the Section 415(c) limit is reached for that year (considering for this purpose contributions to the Plans for that plan year, both before and after CBAID), the Company contributions that cannot be made to the Plans after CBAID as the result of the contributions attributable to such equity allocation contribution will be paid, for the remainder of that year, in cash at the same time as the contribution would have been made to the Plan but for the 415(c) limit.
6. Contributions (or excess payments) will be made with respect to all earnings, whether such earnings are paid before or after retirement or termination (including death).
7. Excess payments will not be earnings under the DC Plan, the DPSP, the NWA RSP, the NWA LTD Plan, the NWA MP3 or under any other pilot benefit plan.

Add **Section 26 V.** (new), to read:

V. Former NWA Pilots - Disability Benefits

1. Disability Initially under NWA Pension Plan
 - a. **Section 26 V. 1.** applies to a former NWA pilot who began sick leave on or before December 15, 2005 who:
 - 1) is receiving a Disability Retirement Pension from the NWA Pension Plan or
 - 2) will receive a Disability Retirement Pension from the NWA Pension Plan should he exhaust his sick and vacation leave.

- b. Such pilot will continue to receive (or will receive) a Disability Retirement Pension from the NWA Pension Plan under the terms of that Plan and will not participate for disability benefits in the D&S Plan.
 - c. If such pilot recovers and enters qualification training, he will continue to receive a Disability Retirement Pension from the NWA Pension Plan until he successfully completes qualification training. Upon successful completion of qualification training, he will be returned to active payroll status and the Disability Retirement Pension from the NWA Pension Plan will cease.
 - d. If such pilot recovers and returns to active payroll status and disables again for the same disability within 12 months of his return to active payroll status, then his disability benefits will be calculated and paid under the terms of the NWA LTD Plan.
 - e. If such pilot recovers and returns to active payroll status and disables again either for a different disability or at least 12 months after his return to active payroll status, then his disability benefits will be calculated and paid under the terms of the D&S Plan. To the extent his earnings while a pilot do not fill the entire earnings measurement period under the D&S Plan, then amounts paid while an NWA airman (to the extent such amounts would meet the definition of earnings in the D&S Plan, if such earnings had been paid by the Company) will be considered earnings.
2. Disability Initially under NWA LTD Plan
- a. This **Section 26 V. 2.** applies to a former NWA pilot who began sick leave after December 15, 2005 and who as of CBAID:
 - 1) is receiving disability benefits from the NWA LTD Plan,
 - 2) is on sick leave and will receive disability benefits from the NWA LTD Plan should he exhaust his sick and vacation leave, or
 - 3) is on unpaid medical leave and is subsequently approved to receive disability benefits from the NWA LTD Plan.
 - b. Such pilot will continue to receive (or will receive) disability benefits from the NWA LTD Plan and will not participate for disability benefits in the D&S Plan.
 - c. If such pilot recovers and returns to active payroll status and disables again for the same disability within 12 months of his return to active payroll status, then his disability benefits will be the same dollar amount previously paid to him under the NWA LTD Plan and the terms of the NWA LTD Plan will apply in all other respects.
 - d. If such pilot recovers and returns to active payroll status and disables again either for a different disability or at least 12 months after his return to active payroll status, then his disability benefits will be calculated and paid under the terms of the D&S Plan. To the extent his earnings while a pilot do not fill the entire earnings measurement period under the D&S Plan, then amounts paid while an NWA airman (to the extent such amounts would meet the definition of earnings in the D&S Plan, if such earnings had been paid by the Company) will be considered earnings.
3. Disability benefits paid from the D&S Plan to a former NWA pilot will be offset dollar for dollar by the following, in addition to the other offsets under the D&S Plan:
- a. Benefits actually paid from the NWA Pension Plan.

- b. Benefits actually paid from the NWA Excess Plan.
 - c. The annuity equivalent of benefits paid from the NWA MP3: (i) at the time the first distribution from the NWA MP3 is actually paid after the participant's retirement to or on account of the participant; or (ii) if earlier, at the participant's age 62. The annuity equivalent of the NWA MP3 will be determined using an interest rate of 7% and mortality assumptions from GAR-94 projected to 2002 Unisex.
 - d. At age 62 and older, benefits the pilot is eligible to receive from the NWA Pension Plan and NWA Excess Plan. To the extent the Company determines that it will not adversely impact airline funding relief under the Pension Protection Act, at age 62 or older, a former NWA pilot receiving benefits under the D&S Plan will be eligible to retire under the NWA Pension Plan and NWA Excess Plan so that he may draw benefits at age 62 or older but will not be deemed retired from the Company for any other purpose under the PWA. If such pilot returns to active payroll status, his benefits under the NWA Pension Plan and NWA Excess Plan will be suspended (and therefore not actuarially increased) until he again receives benefits under the D&S Plan or retires.
4. Coverage and Cost of DPMA Disability Benefits and DPMA Equivalent Disability Benefits
- a. If coverage for DPMA disability benefits is available to a former NWA pilot, and the former NWA pilot elects to purchase such coverage within 45 days of being offered such coverage, he must pay DPMA the DPMA premium charged to former NWA pilots. For each month the former NWA pilot purchases DPMA coverage and pays the DPMA premium charged to former NWA pilots, the Company will reimburse him for one or both of the following amounts, if any, until the earlier of (1) the date he exhausts 24 total months (or longer period as described in the exception to *Section 25 V. 5. f.*) of disability benefits under DPMA and top-up disability benefits, if any, combined; or (2) the date that a similarly situated pre-merger Delta pilot is no longer offered the ability to participate in DPMA:
 - 1) If the DPMA premium for former NWA pilots is in excess of 100% of that required for DPMA coverage by a participant who was a pre-merger Delta pilot, then the Company will reimburse the former NWA pilot the amount of the DPMA premium required of a former NWA pilot that is above 100% of that required of a pre-merger Delta pilot, each pay period, grossed up at a rate of 35%.
 - 2) The Company will reimburse a former NWA pilot with a remaining NWA sick leave bank for all or a portion of the DPMA premium charged to former NWA pilots not to exceed 100% of the DPMA premium required of a pre-merger Delta pilot, each pay period, grossed up at a rate of 35%. The percentage of the premium to be reimbursed will be determined by the number of hours in his remaining NWA sick leave bank at CBAID (or, in the case of a NWA disabled pilot or inactive NWA pilot, determined by the number of hours in his remaining NWA sick leave bank at the applicable date under *Section 26 Y. 3.*), as follows:
The number of hours in the former NWA pilot's NWA sick leave bank

remaining after the adjustment(s) under **Section 14 N. 1.**, not to exceed 1920 hours, will be divided by 1920. The resulting fraction is the percentage of the DPMA premium required of a similarly situated pre-merger Delta pilot that the Company will reimburse the former NWA pilot each pay period. Once determined, the fraction will not be adjusted regardless of any subsequent adjustments made to the former NWA pilot's NWA sick leave bank.

Example: A former NWA pilot in his 9th year of service has 720 hours in his NWA sick leave bank. At CBAID, his NWA sick leave bank is reduced by 240 hours under **Section 14 N. 1.** His remaining NWA sick leave bank of 480 hours is divided by 1920, for a resulting fraction of .2500 (fraction to be carried out to four decimal places). The Company will reimburse the former NWA pilot 25.00% of the DPMA premium required of a similarly situated pre-merger Delta pilot each pay period.

Note: To be eligible for top-up disability benefits under **Section 26 V. 5.**, a former NWA pilot must have elected either DPMA coverage under **Section 26 V. 4. a.** or DPMA equivalent coverage under **Section 26 V. 4. b.**, when he was first eligible to elect such coverage, and must have maintained such coverage continuously thereafter (unless and until such coverage was no longer available to him for reasons beyond his control).

- b. A former NWA pilot who, within 45 days after CBAID (or in the case of a NWA disabled pilot or an inactive NWA pilot, within 45 days following the applicable date under **Section 26 Y. 3.**), applies for but is unable to purchase coverage for DPMA disability benefits through DPMA may elect and if elected, the Company will provide, coverage for DPMA equivalent disability benefits until the earlier of (1) the date he exhausts 24 total months (or longer period as described in the exception to **Section 25 V. 5. f.**) of disability benefits under the DPMA equivalent disability coverage and top-up disability benefits, if any, combined; (2) the date he no longer timely pays his cost for the DPMA equivalent disability coverage; or (3) the date that a similarly situated pre-merger Delta pilot is no longer offered the ability to participate in DPMA.

- 1) The former NWA pilot's cost of the DPMA equivalent disability benefit will be equal to 100% of the DPMA premium required of a pre-merger Delta pilot for DPMA. This cost will be paid by the former NWA pilot to the Company, out of after-tax dollars.
- 2) The former NWA pilot's percentage of the DPMA equivalent disability benefit cost will be determined as follows:

Subtract from 1920 the number of hours in the former NWA pilot's NWA sick leave bank remaining after the adjustment(s) under **Section 14 N. 1.**, not to exceed 1920 hours, and divide the result by 1920. The resulting fraction is the percentage of the DPMA equivalent disability benefit cost for which the former NWA pilot is responsible. Once determined, the fraction will not be adjusted regardless of any subsequent adjustments made to the former NWA pilot's NWA sick leave bank.

Example: A former NWA pilot in his 9th year of service has 720 hours in his NWA sick leave bank. At CBAID, his NWA sick leave

bank is reduced by 240 hours under **Section 14 N. 1**. His remaining NWA sick leave bank of 480 hours is subtracted from 1920. The remainder of 1440 is divided by 1920, resulting in a fraction of .7500 (fraction to be carried out to four decimal places). The former NWA pilot is responsible for 75.00% of the DPMA equivalent disability benefit cost.

Note: To be eligible for top-up disability benefits under **Section 26 V. 5.**, a former NWA pilot must have elected either DPMA coverage under **Section 26 V. 4. a.** or DPMA equivalent coverage under **Section 26 V. 4. b.**, when he was first eligible to elect such coverage, and must have maintained such coverage continuously thereafter (unless and until such coverage was no longer available to him for reasons beyond his control).

- c. DPMA equivalent disability benefits will be governed by rules that mirror the DPMA rules (e.g., calculation of benefit, definition of disability, maximum benefits per disability, and maximum lifetime disability benefits); provided that the portion of the DPMA equivalent disability benefit provided by the Company will be calculated on a pre-tax basis (not on an after-tax basis in the manner used by DPMA).
5. Top-up Disability Benefits
- a. A former NWA pilot will be eligible for top-up disability benefits if:
 - 1) his disability qualifies him for temporary or long term disability benefits under the D&S Plan,
 - 2) he elected DPMA coverage under **Section 26 V 4. a.** or DPMA equivalent coverage under **Section 26 V. 4. .b.**, when he was first eligible to elect such coverage, and he maintained such coverage continuously thereafter (unless and until such coverage was no longer available to him for reasons beyond his control).
 - 3) he remains disabled after having reached either of the benefit duration limits under the DPMA or DPMA equivalent disability coverage (i.e. the single disability event 12-month benefit limit or the lifetime 24-month limit), and
 - 4) the number of hours remaining in his NWA sick leave bank (as determined and adjusted under **Section 26 V. 5. c. d. and e.**) is greater than zero.
 - b. The top-up disability benefit is equal to 50% of the product of 80 hours multiplied by the former NWA pilot's composite hourly rate, as defined in the D&S Plan and, subject to **Section 26 V. 5. f.**, will be paid monthly until the end of the disability period or, if earlier, until the time he exhausts the number of hours remaining in his NWA sick leave bank (as determined and adjusted under **Section 26 V. 5. c., d. and e.**)
 - c. For purposes of **Section 26 V. 5.**, a former NWA pilot's NWA sick leave bank will initially be equal to the NWA sick leave bank after the adjustment(s) under **Section 14 N. 1**. Such balance will be further reduced as follows:
 - 1) if a former NWA pilot's NWA sick leave bank, after the adjustment(s) under **Section 14 N. 1.**, is over 1200 hours, it will be reduced for each sick leave credit hour that he uses beginning on the June 1 following CBAID (or, in the case of a NWA disabled pilot or inactive NWA pilot, beginning the June 1

following the applicable date under **Section 26 Y. 3.**), and once it is reduced to 1200 it will be reduced for each sick leave credit hour he uses which is in excess of 60 hours that sick leave year and each sick leave credit hour he uses which is in excess of 60 hours in any sick leave year thereafter; or

- 2) if a former NWA pilot's NWA sick leave bank, after the adjustment(s) under **Section 14 N. 1.**, is 1200 hours or less, it will be reduced for each sick leave credit hour he uses beginning on the June 1 following CBAID (or, in the case of a NWA disabled pilot or inactive NWA pilot, beginning the June 1 following the applicable date under **Section 26 Y. 3.**), which is in excess of 60 hours in any sick leave year.
 - d. The reduction described in **Section 26 V. 5 c. 1)** or **2)** will occur on the date that the former NWA pilot actually receives his next allocation of sick leave credit hours under **Section 14 D. 1.**
 - e. For each month a former NWA pilot receives DPMA disability benefits, DPMA equivalent disability benefits or top-up disability benefits, the remaining NWA sick leave bank will be reduced by 80 hours (and will be reduced on a prorated basis for each partial month).
 - f. When a former NWA pilot has received a combined total of 24 months of DPMA disability benefits and top-up benefits, any remaining DPMA disability benefits will be assigned to the Company or will otherwise benefit the Company in a manner to be determined by the Company and DPMA. When a former NWA pilot has received a combined total of 24 months of DPMA equivalent disability benefits and top-up disability benefits, DPMA equivalent disability benefits and top-up disability benefits will cease.
Exception: For a former NWA pilot who had a NWA sick leave bank balance of more than 1920 hours after the adjustment under **Section 14 N. 1.**, the maximum duration of DPMA disability benefits (or DPMA equivalent benefits) and top-up benefits as stated in **Section 26 V. 5. f.**, and the point at which DPMA benefits will be assigned to or benefit the Company (or DPMA equivalent disability benefits will cease), may be greater than 24 months. This number of months will be determined by substituting for "24" in the first and second sentences of **Section 26 V. 5. f.** the number equal to his NWA sick leave bank balance after the adjustment under **Section 14 N. 1.**, divided by 80. This provision does not mean that each such former NWA pilot will receive this greater number of months of top-up disability benefits, DPMA benefits or DPMA equivalent benefits since his NWA sick leave bank balance is still subject to reduction as described in **Section 26 V. 5. c., d. and e.**
6. DPMA disability benefits, DPMA equivalent disability benefits and top-up disability benefits are not considered eligible disability earnings for the contributions under the DC Plan, the DPSP, the NWA MP3 or the NWA RSP.
 7. The Company may elect to pay top-up disability benefits and DPMA equivalent disability benefits from the VEBA, subject to **Section 26 P. 4.**
 8. Effective on CBAID, the VEBA trust established in connection with the NWA LTD Plan will cease. Subject to **Section 26 P. 4.**, the NWA LTD Plan will be merged into the D&S Plan and benefits paid from the D&S Trust. Benefits payable under the terms of the NWA LTD Plan will continue to be treated as paid under the NWA LTD

Plan for purposes of *Sections 25* and *Section 26*, notwithstanding a merger of the NWA LTD Plan into the D&S Plan or a termination of the VEBA trust established in connection with the NWA LTD Plan.

9. Other than as specified above, all former NWA pilots will participate under and in accordance with the terms of the D&S Plan.
10. The LTD Board will continue to perform the functions provided in the NWA LTD Plan.

Add *Section 26 W.* (new) to read:

W. Former NWA Pilots - Retirement Benefits

1. NWA Pension Plan and NWA Excess Plan

On and after CBAID, the frozen NWA Pension Plan and NWA Excess Plan will be continued and all benefits under the frozen NWA Pension Plan and NWA Excess Plan will be provided under the terms of the NWA Pension Plan and NWA Excess Plan, respectively. The Retirement Board established under the NWA Pension Plan will continue to perform the functions provided in the NWA Pension Plan.

2. NWA RSP

- a. The 3% contributions to the NWA RSP will not be made with respect to compensation paid for work performed on and after CBAID. However, these contributions will be made with respect to compensation paid after CBAID for work performed prior to CBAID under the NWA CBA.
- b. Effective with respect to earnings paid for work performed on and after CBAID, the flat percentage contributions (e.g., 6% in 2008, 6.5% in 2009) that were being made to the NWA RSP with respect to a former NWA pilot who had not been included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list after September 1, 2007) will cease.
- c. Effective with respect to earnings paid for work performed during the period beginning on CBAID and ending at midnight on the date targeted allocation of employer contributions to the NWA MP3 ceases under *Section 26 W. 3. b.*, the NWA RSP will be amended to provide that contributions will be made to the NWA RSP with respect to a former NWA pilot who had been included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list on or before September 1, 2007, including a pilot whose Target Contribution under the NWA MP3 is zero), as follows:

Plan Year	Flat Percentage of earnings
2008	0%
2009	0%
2010	1%
2011 until cessation of targeted allocations as described in <i>Section 26 W. 3. b.</i>	2%

- d. Effective on CBAID, the NWA RSP will be amended to provide for 100%

vesting.

- e. Effective on CBAID, residual contributions required by the NWA MP3, as amended under **Section 26 W. 3. a.**, will continue to be made until targeted allocation of employer contributions to the NWA MP3 ceases under **Section W. 3. b.**
 - f. Effective on CBAID, the definition of Recognized Compensation in the NWA RSP will be amended to correspond to the definition of earnings in the DPSP.
 - g. The assets and liabilities of the NWA RSP plan for former NWA pilots will be merged into the DPSP as of the first January 1 following CBAID, unless CBAID occurs in the last quarter of a year, in which case the merger will occur no later than the next following April 1. Provided however if legally required notices require more time, then the merger will be effective at the beginning of the month after the time for such notices has expired. The Company will pay any associated costs of the plan merger.
 - h. Following the merger under **Section 26 W. 2.g.**, Company contributions otherwise required to be made to the NWA RSP will instead be made to the DPSP.
3. NWA MP3
- a. On and after CBAID, the NWA MP3 will be continued and all contributions and benefits under the NWA MP3 will be provided under the terms of the NWA MP3 and under the terms of the NWA CBA applicable to the NWA MP3, as amended under **Section 26 W. 3. b. - e.** The Retirement Board established under the NWA RSP will continue to perform the functions with respect to the NWA MP3, as provided in the NWA MP3.
 - b. Targeted allocation of employer contributions to the NWA MP3 will cease as of December 31, 2013.
 - 1) Until targeted allocations of employer contributions cease, contributions will be made to the NWA MP3 on earnings paid for work performed during the period beginning on CBAID and ending at midnight on the date targeted allocations cease, based on the earnings of all former NWA pilots who are participants in the NWA MP3 (i.e., all former NWA pilots who were placed on the NWA seniority list on or before September 1, 2007, including participants whose Target Contribution is zero), as follows:

Plan Year	Total Percentage of earnings	Target Portion Percentage	Flat Portion Percentage
2008	6.0%	6.0%	0%
2009	6.5%	6.5%	0%
2010	7.0%	7.0%	0%
2011	8.0%	8.0%	0%
2012	9.0%*	8.0%	1%
2013	12.0%	8.0%	4%

* If the minimum funding requirement under Section 402 of the Pension Protection Act of 2006 for the NWA Pension Plan for the plan year beginning October 1, 2011 is less than \$15 million, then

the Total Percentage of earnings will instead be 10% of earnings paid on and after April 1, 2012 (8% Target Portion Percentage and 2% Flat Portion Percentage); 11% of earnings paid on and after July 1, 2012 (8% Target Portion Percentage and 3% Flat Portion Percentage); and 12% of earnings paid on and after October 1, 2012 (8% Target Portion Percentage and 4% Flat Portion Percentage). If the minimum funding requirement equals or exceeds \$15 million, the Total Percentage of earnings will be increased from 9% to 12% (8.0% Target Portion Percentage and 4% Flat Portion Percentage) effective for earnings paid after December 31, 2012. The Company's actuary will determine the funding requirement by December 31, 2011 and the Company will review this determination with the NWA MP3 Retirement Board.

- 2) Company contributions with respect to the target portion percentage will be applied to make Target Contributions and residual contributions in accordance with the provisions of the NWA MP3. Company contributions with respect to the flat portion percentage will be allocated to the accounts of all participants of the NWA MP3, in proportion to their earnings.
 - 3) Until targeted allocations of employer contributions to the NWA MP3 cease, and with prior notice to the Company in each instance, the Company will make its actuaries available to assist the Association in the transition process and will pay the reasonable actuarial expenses incurred, not to exceed \$25,000 for each plan year or partial plan year, with any unused portion of the annual allowance carrying over to succeeding years, in the period from CBAID until cessation of targeted allocations. The Association will reimburse the Company for any such expenses which exceed this limit.
 - c. Effective on CBAID, the definition of Recognized Compensation in the NWA MP3 will be amended to correspond to the definition of earnings in the DC Plan, except that it will also include (i) the "deemed earnings" attributable to the applicable plan year for any participant on military leave, but without regard to the fact that the participant has not yet returned to recognized employment, and (ii) an amount equal to the final average earnings on which the benefit payable to any participant who is receiving disability benefits under the NWA LTD Plan is based.
 - d. The assets and liabilities of the NWA MP3 for former NWA pilots, and at the Company's option, the other assets and liabilities of the NWA MP3, will be merged into the DC Plan as of the first January 1 following CBAID, unless CBAID occurs in the last quarter of a year, in which case the merger will occur no later than the next following April 1. Provided however if legally required notices require more time, then the merger will be effective at the beginning of the month after the time for such notices has expired. The Company will pay any associated costs of the plan merger.
 - e. Following the merger under *Section 26 W. 3. d.*, Company contributions otherwise required to be made to the NWA MP3 will instead be made to the DC Plan.
4. DC Plan

- a. This **Section 26 W. 4. a.** applies to a former NWA pilot who was not included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list after September 1, 2007).
- 1) Effective with respect to earnings paid for work performed during the period beginning on CBAID and ending at midnight on December 31, 2012, such former NWA pilot will receive Company contributions to the DC Plan, as follows:

Plan Year	DC Plan Flat Percentage of earnings
2008	4.0%
2009	4.5%
2010	6.0%
2011	8.0%
2012	9.0%*

* If the minimum funding requirement under Section 402 of the Pension Protection Act of 2006 for the NWA Pension Plan for the plan year beginning October 1, 2011 is less than \$15 million, then the DC Plan flat percentage of earnings will instead be 10% for earnings paid on and after April 1, 2012; 11% for earnings paid on and after July 1, 2012; and 12% for earnings paid on and after October 1, 2012. If the minimum funding requirement equals or exceeds \$15 million, the DC Plan flat percentage of earnings will be increased from 9% to 12% effective for earnings paid after December 31, 2012. The Company's actuary will determine the funding requirement by December 31, 2011 and the Company will review this determination with the NWA MP3 Retirement Board.

- 2) Effective with respect to earnings paid for work performed after December 31, 2012, such former NWA pilot will participate in and be eligible for Company contributions to the DC Plan on the same basis as any other pilot.
- b. This **Section 26 W. 4. b.** applies to a former NWA pilot who was included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list on or before September 1, 2007, including a pilot whose Target Contribution under the NWA MP3 is zero).
- 1) Effective with respect to earnings paid for work performed during the period beginning on CBAID and ending at midnight on the date as of which targeted allocation of employer contributions to the NWA MP3 ceases, such former NWA pilot will receive Company contributions to the DC Plan under **Section 26 W. 3. b.** after the plan merger under **Section 26 W. 3. d.**, and will receive no other Company contributions to the DC Plan.
 - 2) Effective with respect to earnings paid for work performed after the date as of which targeted allocation of employer contributions to the NWA MP3 ceases, such former NWA pilot will receive

Company contributions to the DC Plan on the same basis as any other pilot.

5. DPSP

- a. This **Section 26 W. 5. a.** applies to a former NWA pilot who was not included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list after September 1, 2007). Effective with respect to earnings paid for work performed on and after CBAID, such former NWA pilot will receive Company contributions to the DPSP on the same basis as any other pilot.
- b. This **Section 26 W. 5. b.** applies to a former NWA pilot who was included as a NWA MP3 participant (i.e. a pilot placed on the NWA seniority list on or before September 1, 2007, including a pilot whose Target Contribution under the NWA MP3 is zero).
 - 1) Effective with respect to earnings paid for work performed during the period beginning on CBAID and ending at midnight on the date as of which targeted allocation of employer contributions to the NWA MP3 ceases, such former NWA pilot will receive Company contributions to the DPSP under **Section 26 W 2. c.** after the plan merger under **Section 26 W 2. g.**, and will receive Company residual contributions to the DPSP under **Section 26 W. 2. e.** after the plan merger under **Section 26 W. 2. g.**, and will receive no other Company contributions to the DPSP.
 - 2) Effective with respect to earnings paid for work performed after the date as of which targeted allocation of employer contributions to the NWA MP3 ceases, such former NWA pilot will receive Company contributions to the DPSP on the same basis as any other pilot.

Add **Section 26 X.** (new) to read:

X. Prior NWA Pilots - Retirement, Survivor and Disability Benefits

1. **Section 26 X.** applies to a prior NWA pilot and his eligible survivors under the NWA CBA (or under the terms of any prior NWA collective bargaining agreement, as applicable). **Section 26 X.** does not apply to an individual covered by the order of the bankruptcy court in the NWA bankruptcy case pursuant to section 1114 of the bankruptcy code with respect to benefits covered by such order.
2. The Company will provide an individual to whom **Section 26 X.** applies with the following benefits, if any, to which he is entitled under the NWA CBA (or under the terms of any prior NWA collective bargaining agreement, as applicable):
 - a. Retirement benefits,
 - b. Pre-retirement survivor income and life insurance benefits,
 - c. Post-retirement survivor income and life insurance benefits, and
 - d. Disability benefits.

Add **Section 26 Y.** (new) to read:

Y. NWA Disabled Pilots and Inactive NWA Pilots - Retirement, Survivor and Disability Benefits

1. **Section 26 Y.** applies to a NWA disabled pilot and an inactive NWA pilot, and their eligible survivors under the NWA CBA. **Section 26 Y.** does not apply to an individual covered by the order of the bankruptcy court in the NWA bankruptcy case pursuant to section 1114 of the bankruptcy code with respect to benefits covered by such order.
2. Except as provided in **Section 26 L. 1. Exceptions one and two, Section 26 N. 2 Exceptions one and two, Section 26 V.** and **Section 26 W.**, the Company will provide an individual to whom **Section 26 Y.** applies with the following benefits, if any, to which he is entitled under the NWA CBA:
 - a. Retirement benefits,
 - b. Pre-retirement survivor income and life insurance benefits,
 - c. Post-retirement survivor income and life insurance benefits, and
 - d. Disability benefits.
3. Except as provided in **Section 26 L. 1. Exceptions one and two, Section 26 N. 2 Exceptions one and two, Section 26 V.** and **Section 26 W.**, a NWA disabled pilot or inactive NWA pilot will become eligible for the benefits provided to pilots under **Section 26** at the following times:
 - a. In the case of a NWA disabled pilot who had been receiving a Disability Retirement Pension from the NWA Pension Plan, upon his successful completion of qualification training,
 - b. In the case of a NWA disabled pilot who had been receiving disability benefits from the NWA LTD Plan, when he presents a first class medical certificate to the Company and the Company determines that he meets the applicable physical standards under **Section 15 B.**
 - c. In the case of a NWA disabled pilot who had been on NWA sick leave immediately before his return to duty, when he reports for duty.
 - d. In the case of an inactive NWA pilot, when he returns to active payroll status under **Section 13 C.** and **Section 15 B.**, if applicable.

Section 27
UNION SECURITY AND CHECK-OFF

Add **Section 27 B. 9.** (new) to read:

9. Status of authorization for dues checkoff, service charges and assessment deductions from a former NWA pilot's paycheck will transfer to the Company on the CBAID without any requirement for such pilot to re-submit such authorizations.

Section 28
DURATION

Amend **Section 28 A. 1.** to read:

1. Except as expressly provided otherwise, this agreement will become effective on CBAID, will continue in full force and effect through December 31, 2012, and will renew itself

without change through each succeeding December 31st, unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party hereto at least 60 days but no more than 270 days prior to December 31, 2012 or December 31st in any year thereafter. In the absence of an agreement by March 31, 2013, the parties agree to jointly petition the National Mediation Board for mediation services.

E.

Costs and Fees

The Company agrees to pay the Association's reasonable costs and fees in conjunction with the NWA/Delta merger transaction.

F.

Grievances

All grievances, pre-grievances and other matters that have not ripened into grievances or pre-grievances arising under the NWA CBA prior to CBAID will be assumed by the Company. All such NWA grievances and pre-grievances will be processed pursuant to the terms of Sections 19, 20, 21 and LOA 2000-03A of the NWA CBA and all such Delta grievances will be processed pursuant to *Sections 18 and 19*.

The Company and the Association agree to meet no later than 30 days after CBAID for the purposes of resolving all outstanding Delta and NWA pre-grievances, grievances and worksheets concerning claims arising prior to CBAID.

G.

Other Letters of Agreement

1. Special Explanatory Provision Relating to NWA CBA LOAs 2006-10, 2006-14 and 2008-01. Solely for purposes of applying NWA LOAs 2006-10, 2006-14 and 2008-01 to the merged Delta - Northwest following CBAID, the following will apply:
 - a. The terms "NWA pilots" and "Northwest pilots" will include former Northwest pilots, "pre-merger Delta pilots" and "pilots."
 - b. The term "NWA-ALPA" will mean "NWA/DAL-ALPA" and, after establishment of a single MEC, will mean "DAL-ALPA."
 - c. The term "EDAP" or "Employment Date as a Pilot" will mean the date a pilot's longevity commences under the PWA. (See *Section 2 A. 261*.)

Note: Provisions of the NWA-ALPA CBA which are referenced in these LOAs will be deemed to be a part of such LOAs solely for purposes of administration and interpretation of such LOAs.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement, this _____ day of _____, 2008.

FOR THE COMPANY

FOR THE ASSOCIATION

Richard H. Anderson
Chief Executive Officer

Captain John Prater
President

Edward H. Bastian
President and Chief Financial
Officer

Captain Donald L. Moak
Chairman, Delta MEC

Stephen E. Gorman
Executive Vice President Operations

Dave Stevens, Chairman
Master Executive Council (NWA)

Michael H. Campbell
Executive Vice President HR,
Labor & Communications

WITNESS:

WITNESS:

Captain Stephen M. Dickson
Senior Vice President Flight Operations

Captain Timothy S. O'Malley
Chairman, MEC Negotiating Committee

Geraldine P. Carolan
Vice President - Labor Relations

John L. Haase, Chairman
MEC Negotiating Committee

Robert L. Kight
Vice President – Compensation,
Benefits and Services

Captain Rick Dominguez
MEC Negotiating Committee

Captain Randy Worrall
MEC Negotiating Committee

James L. Van Sickle, Member
Negotiating Committee (Northwest)

Daniel J. Vician, Member
Negotiating Committee (Northwest)

Ronald Hay, Jr., Member
Negotiating Committee (Northwest)