

**DELTA PILOTS**

**DISABILITY AND SURVIVORSHIP PLAN**

(As Amended and Restated Effective January 1, 2011)

# DELTA PILOTS DISABILITY AND SURVIVORSHIP PLAN

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## INTRODUCTION

The Delta Pilots Disability and Survivorship Plan is hereby amended and restated effective January 1, 2011. The Plan is an employee welfare benefit plan as defined in the Employee Retirement Income Security Act of 1974 (ERISA). Unless otherwise specifically provided, all benefits arising out of an Event Date prior to January 1, 2011 shall be governed by the terms of the Plan as in effect at the time of the Event Date. All benefits arising out of an Event Date on or after January 1, 2011 shall be governed by the terms of this restated Plan. It is specifically acknowledged that the Plan benefits of a Participant whose Event Date occurred before June 1, 2006 and was retired from Delta or had reached at least age 60 by that date, and was not on the Delta Pilots System Seniority List are not governed by the terms of this restated Plan that is effective January 1, 2011.

Effective as of October 30, 2008, the Northwest Airlines LTD Plan for Pilot Employees (“NWA LTD Plan”) was merged into the Plan. The terms and conditions applicable to participants of the NWA LTD Plan eligible to receive long-term disability benefits from that plan are set forth in Appendix B to the Plan and the disability benefit paid to NWA Disabled Pilots who are participants in the NWA LTD Plan are paid after the plan merger from the D&S Plan. The terms of the Plan, other than Appendix B, will not apply to participants eligible to receive disability benefits from the NWA LTD Plan, unless otherwise specifically provided.

## SECTION ONE

### DEFINITIONS

The following words and phrases shall have the following meanings unless the text clearly indicates otherwise:

1.01 Active Payroll Status means being on the Company's active payroll as a pilot (except when reinstated to Active Payroll Status for payment of vacation pay only).

1.02 Active Work means being on the Company's active payroll as a pilot and actively at work.

1.03 Actuary means a Fellow or Associate of the Society of Actuaries, who is an "enrolled actuary" pursuant to ERISA or a firm which employs at least one Fellow or Associate of the Society of Actuaries who is an "enrolled actuary" pursuant to ERISA, appointed by the Administrative Committee as Actuary for the Plan.

1.04 Administrative Committee means the Administrative Committee provided for in Section Eleven of this Plan or the entity or person to whom the Administrative Committee has delegated any of its power or duties under the Plan.

1.05 Beneficiary means the person(s) or trust(s) last designated by the Employee by written notice filed with the Plan to receive the Term Life Insurance benefit under Section Five of the Plan. The designation of a beneficiary for the Term Life Insurance benefit will not cause that person to be deemed a survivor under Section 25 of the PWA or for any other Company provided benefit. The beneficiary designation

made under this Plan will apply only to the Term Life Insurance benefits payable from this Plan.

1.06 Benefit Fund means the fund or funds established by contributions of each Employing Company made in order to provide for benefits specified in the Plan, as provided in Section 10.03 (Benefit Fund).

1.07 Bridge Plan means the Delta Pilots Bridge Plan as amended and restated effective July 1, 1996, and as from time to time amended or restated thereafter. The Bridge Plan was terminated effective September 2, 2006.

1.08 CBAID means the Collective Bargaining Agreement Implementation Date for the Joint Collective Bargaining Agreement or October 30, 2008.

1.09 Code means the Internal Revenue Code of 1986, as amended, and any successor statute.

1.10 Company means Delta Air Lines, Inc., a Delaware corporation, and its successors and assigns.

1.11 DPMA means Delta Pilots Mutual Aid.

1.12 DPMA Disability Benefit means the optional supplemental disability benefits payable by DPMA to an eligible DPMA participant or the DPMA equivalent disability benefit described in Section 26 A. 12. of the PWA, if such benefit is paid instead of the DPMA Disability Benefit.

1.13 Earned Income means any salary or pay that a Participant receives from an employer, including overtime, vacation pay, bonuses, severance pay or similar



payments. For a Participant who is self-employed, Earned Income is the net profit from working or managing his or her own business. Generally, all income subject to employment taxes or self-employment income is Earned Income. The term Earned Income does not include: income reported on a Form 1099 (such as annuities, pensions, veterans benefits, and military retirement pay), withdrawals from 401(k) plans, unemployment compensation, interest and dividends from savings accounts, stocks, personal loans, home mortgages, insurance proceeds, gifts, inheritance, estates, trusts, endowments, prizes, awards, gambling or lottery winnings, alimony/child support, scholarships or fellowships, pay for jury duty, capital gains from the sale of personal property, amounts received in court actions and rents or royalties.

1.14 Earnings means the amounts paid during each calendar month to an individual as an Employee, computed based upon the regular rate of compensation normally earned by him for personal services rendered to an Employing Company, including overtime, but not reduced by the amount of any voluntary reductions in compensation and not reduced by pre-tax deferrals under the Delta Family-Care Savings Plan or the Delta Pilots Savings Plan, or pre-tax contributions to a plan maintained for Employees of the Company under Section 125 of the Code. Earnings shall also include, in the month in which paid, incentive compensation, bonuses, and profit sharing payments, including payments under the Delta Air Lines Inc. Pilots Profit Sharing Program established effective May 1, 1996, that are paid on or after September 1, 2001.

For Event Dates after May 1, 2000, any lump sum payment required by the retroactivity of pay rates under Section 3 of the PWA will be included in Earnings as if the pay increases resulting in such retroactive payment had been in effect on May 1, 2000, regardless of when the lump sum is actually paid.

Earnings shall not include: (1) amounts constituting reimbursements for expenses and expense allowances; (2) relocation incentive benefits paid in accordance with the PWA on or after July 1, 2001; (3) any amounts paid in conjunction with retirement, disability, death or termination of continuous employment in lieu of earned and accrued vacation that has not been taken; (4) taxable income imputed to an Employee by virtue of fringe benefits provided by an Employing Company; and (5) Excess Payments as defined in the Delta Pilots Defined Contribution Plan and the Delta Pilots Savings Plan or the similar payment referred to or defined in the Northwest Airlines Money Purchase Plan for Pilot Employees or the Northwest Airlines Retirement Savings Plan for Pilot Employees.

1.15 Employee means any person classified as a pilot by an Employing Company and regularly employed by an Employing Company, including Former NWA Pilots (other than those described in the last sentence of this Section 1.15). The term Employee shall also include a person eligible for benefits from this Plan under Section 2.02 and 2.03. Prior NWA Pilots, NWA Disabled Pilots and Inactive NWA Pilots are not considered Employees under this Plan and are not eligible for benefits under the Plan, unless and until provided in Section 2.09 of the Plan.

1.16 Employing Company means the Company and any subsidiary or division of the Company, or any other corporation which adopts this Plan; provided, however, such subsidiary, division or other corporation is designated by the Company as an Employing Company and is included in Section Eight (Employing Companies).

1.17 ERISA means Public Law 94-406, the Employee Retirement Income Security Act of 1974, as amended.

1.18 Event Date means the date an Employee is disabled under Section 4.02 (provided he does not return to Active Work with an Employing Company), dies or becomes Retired, provided such date occurs prior to or coincides with the cessation of his Earnings or during a period of extension of eligibility under Section 2.03.

1.19 FAA Mandatory Retirement Age means the latest age under Part 121 of the FARs or other applicable statutes that a pilot can serve as a PIC or SIC.

1.20 Final Average Earnings means the monthly average of the Employee's highest 12 consecutive months of normal Earnings out of the last 36 months while on Active Payroll Status (including accident leave, sick leave and vacation). However, if the last 36 months while on Active Payroll Status contain a month when the Employee is on inactive status for more than 15 days, then the month immediately following will not be counted in the 36 months. Instead, an additional month in the consecutive period preceding the first day the Employee was absent will be included as part of the 36 month period of normal Earnings. See Section 4.03(e) regarding this calculation for certain Former NWA Pilots.

1.21 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.

1.22 FMLA Leave means leave taken pursuant to Section 13 H. of the PWA.

1.23 Inactive NWA Pilot means a Former NWA Pilot who on CBAID was not in Active Payroll Status, including, but not limited to, those on furlough, military leave exceeding 30 consecutive days, personal leave, family leave, medical leave, maternity leave or disciplinary suspension. A Former NWA Pilot on union leave and an NWA Disabled Pilot are not Inactive NWA Pilots for purposes of this definition.

1.24 Long-Term Disability Benefit means a benefit payable under Section 4.03.

1.25 Money Purchase Plan means the Delta Pilots Money Purchase Pension Plan that was established effective July 1, 1996 through conversion of the Delta Pilots Target Benefit Plan, as it may be amended or restated from time to time. The Money Purchase Plan account includes contributions relating to both the Delta Pilots Target Benefit Plan (which was in effect prior to July 1, 1996) and Money Purchase Plan contributions. For purposes of this Plan, the reference to the Money Purchase Plan account includes all such contributions plus all earnings and losses on such contributions. The Money Purchase Plan was terminated on June 30, 2006.

1.26 Normal Retirement Date means the first of the month coincident with or next following attainment of age 60.

1.27 NWA means Northwest Airlines, Inc.

1.28 NWA CBA means the terminated NWA pilots' collective bargaining agreement that was in effect on the day preceding CBAID.

1.29 NWA Disabled Pilot means a Former NWA Pilot whose disabling condition arose prior to CBAID and either (a) is eligible for and receiving disability benefits from either the NWA Pension Plan or the NWA LTD Plan on or after CBAID, or (b) was eligible for and receiving disability benefits from the NWA Pension Plan until he attained age 60 on or after December 13, 2007, whether or not he commenced normal retirement benefits at age 60 or older from the NWA Pension Plan or the NWA Excess Plan. A Former NWA Pilot who is on NWA sick leave on CBAID is considered a NWA Disabled Pilot while he remains on NWA sick leave after CBAID.

1.30 NWA Excess Plan means the Northwest Airlines Pension Excess Plan for Pilot Employees as established and maintained the day prior to CBAID, and as thereafter amended.

1.31 NWA LTD Plan means the Northwest Airlines LTD Plan for Pilot Employees, as established and maintained the day prior to CBAID, and as thereafter amended. Effective as of CBAID the NWA LTD Plan is merged into the Plan and the terms and conditions, as set forth in Appendix B of the Plan, will continue to apply to NWA Disabled Pilots who are eligible to receive a benefit under that plan.

1.32 NWA MP3 means the Northwest Airlines Money Purchase Plan for Pilot Employees as established and maintained the day prior to CBAID, and as thereafter amended.

1.33 NWA Pension Plan means the Northwest Airlines Pension Plan for Pilot Employees as established and maintained the day prior to CBAID, and as thereafter amended. Effective on CBAID, the 18-month rule under Section 22 D. 3. of the NWA CBA will no longer apply.

1.34 NWA Seniority List means the Northwest Airlines Pilots' Integrated System Seniority List.

1.35 Participant means any of the following: (a) an Employee; (b) a disabled Employee; (c) an individual who was a pilot but who due to Section 13 B. 3. of the PWA is no longer on the Seniority List, but who is receiving disability benefits from the Plan and is eligible for Term Life Insurance under Section 5.01(a); or (d) an Employee who has Retired and at his death is eligible for Term Life Insurance under Section 5.01(a). A NWA Disabled Pilot who is eligible to receive the benefits provided in Appendix B of the Plan (NWA LTD Plan benefits) is a Participant in the Plan only with respect to those benefits and will not be a Participant with respect to any other benefit under the Plan. An Employee receiving disability benefits whose employment is terminated (other than due to Section 13 B. 3. of the PWA) continues to be a Participant only for purposes of the disability benefits for which he may be eligible and he is not eligible for any other benefits from this Plan.

1.36 Pilot Working Agreement or PWA means the working agreement between the Company and the Air Line Pilots in the Service of the Company that became generally effective on October 30, 2008, and as amended from time to time.

1.37 Plan means the Delta Pilots Disability and Survivorship Plan, the terms and provisions of which are herein set forth, as from time to time amended or restated.

1.38 Plan Year means the twelve month period ending each June 30.

1.39 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.

1.40 Qualified Health Professional means a person who is a member of a category of health care professionals determined to be appropriate by the Plan Administrator for the treatment of the disabling condition, including but not limited to the categories of physician, surgeon, osteopath and chiropractor, as well as any other category of professional designated by the Plan Administrator as a Qualified Health Professional.

1.41 Rehired Retired Pilot or RRP - means a rehired retired pilot as defined in Letter of Agreement #8 of the PWA (Post-Retirement Pilot Hiring).

1.42 Retired means the termination of an Employee's employment under circumstances that enable him to receive an early, normal or deferred retirement benefit under the Retirement Plan (including an early, normal or deferred retirement benefit payable by the PBGC attributable to the terminated Retirement Plan) or the Delta Pilots Defined Contribution 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 Retirement Savings Plan and he is at least age 50 at

termination of employment, a distribution under the NWA MP3 and/or the NWA Retirement Savings Plan. Note: A NWA Disabled Pilot is not considered Retired. This Plan restatement effective January 1, 2011, does not apply to an individual who Retired or had reached age 60 on or before June 1, 2006 and was not on the Delta Pilots System Seniority List on or after June 1, 2006 (see the Plan Introduction).

1.43 Retirement Date means the first day of the month on which an Employee's early, normal or deferred retirement occurred.

1.44 Retirement Plan means the Delta Pilots Retirement Plan, as amended and restated effective July 1, 1996, and as amended thereafter. The Retirement Plan was terminated on September 2, 2006 and is trustee by the Pension Benefit Guaranty Corporation (PBGC).

1.45 Seniority and Seniority List means the same as when those terms are used in the PWA.

1.46 Supplemental Annuity Plan means the Delta Pilots Supplemental Annuity Plan as established effective July 1, 1996 and as from time to time amended and restated thereafter. The Supplemental Annuity Plan was terminated effective September 2, 2006.

1.47 Temporary Disability Benefit means the disability benefit described in Section 4.02 of the Plan.

1.48 Term Life Insurance means the life insurance benefit described in Section 5.01 of the Plan.



1.49 Top-Up Disability Benefit means the supplemental disability benefit for eligible Former NWA Pilots described in Section 4.05 of the Plan.

## SECTION TWO

### ELIGIBILITY

2.01 Plan Eligibility for Benefits Under Section Three: An Employee is eligible for the sick leave pay and vacation pay benefits under Section Three of this Plan as provided in Sections 14 and 7 of the PWA, respectively.

2.02 Plan Eligibility for Benefits Under Sections Four and Five: An Employee shall be eligible for benefits under Sections Four and Five of this Plan on the date he begins Active Work. Such eligibility shall continue as long as the Employee is on Active Payroll Status and, for purposes of Term Life Insurance benefits, continues both (i) while he is disabled under this Plan (including an individual who has been removed from the Seniority List in accordance with Section 13 B. 3. of the PWA who continues to receive Long-Term Disability Benefits under the Plan); and (ii) while Retired, if such retirement commences directly from Active Work or disability status under this Plan. Except as otherwise provided in Sections Four and Five, eligibility for all benefits for the Employee shall be determined on the Event Date and shall cease upon termination of employment; provided, however, if the Employee's employment terminates while the Employee is eligible for disability benefits under Section Four, the Employee shall remain eligible for such disability benefits only as long as he continues to qualify under the Plan, and for no other benefits. Notwithstanding the foregoing, a Rehired Retired Pilot will be eligible to participate in the Plan on his date of rehire under the terms of the Plan as if he had not been previously employed by the Company. Accordingly, no Credited Service or Earnings (as those terms are defined in the prior version of the Plan

that was in effect when the RRP first retired) from the prior period of employment will be taken into account for purposes of determining his benefits under this Plan while he is an RRP. Moreover, eligibility for death benefits (retiree monthly survivor income benefits, as provided for in prior versions of the Plan, retiree Lump Sum Death Benefits as provided in prior versions of the Plan, Term Life Insurance benefits or any other benefit he is entitled to hereunder as a retiree) will cease while he is employed as an RRP, but subject to Section 2.08, may resume after he has again Retired from the Company. If the RRP dies while a pilot, his Beneficiary will be eligible for a Term Life Insurance benefit under Section Five of the Plan and not the death benefits from his previous period of employment (retiree Lump Sum Death Benefit or monthly income survivor benefits, as provided in prior versions of the Plan, or retiree Term Life Insurance benefits) .

In addition, effective May 1, 2011, the post-retirement Term Life Insurance under Section 5.01 will apply to a pilot who participated in (and retired under) the 2011 55-Point Program (55-Point Program), as described in Letter of Agreement #28, who had not reached age 50 by his Retirement Date in accordance with the terms in Section 5.01 of the Plan. However, the reduction described in Section 5.01(e) will take place immediately upon such 55-Point Program pilot's retirement, regardless of his age at retirement.

2.03 Extension of Eligibility: An Employee shall also be eligible for benefits under Sections Four and Five of this Plan:

(a) through the first 30 days after furlough pay ends, and, if longer, for purposes of determining eligibility for the Term Life Insurance benefit only, during the entire period the Employee would be eligible for furlough pay under Section 21 B. 3. of the PWA in the absence of Section 21 B. 9. of the PWA;

(b) through the first 30 days of disciplinary suspension, or in the case of eligibility for the Term Life Insurance benefit only, for up to 60 days while suspended without pay;

(c) through the first 30 days of leave of absence status without pay;

(d) through the first 60 days of military leave during any 12 month period; and

(e) during the entire period of FMLA Leave, for purposes of determining eligibility for the Term Life Insurance benefit only.

Following the period of extended eligibility described above, an Employee on an approved leave of absence may continue his eligibility for the Term Life Insurance benefit by timely payment of the contributions described in Section 2.04 of the Plan. If the Employee discontinues the timely payment of these contributions while on approved leave of absence, he will no longer be eligible for the Term Life Insurance benefit unless and until he returns to Active Work.

2.04 Contributions: The Plan is generally non-contributory, and all costs of the Plan are paid by the Company; provided, however, contributions are required to continue certain life insurance coverage as described in Section 10.01.

2.05 Employment by More Than One Employing Company: Anything to the contrary notwithstanding, if an individual is in the employ of two or more Employing Companies, he shall not be eligible for duplicate benefits under this Plan but shall be treated the same as if all of his Earnings were with one Employing Company.

2.06 Transfers From Non-Pilot to Pilot Status: Persons transferring from Non-Pilot to Pilot status shall not be eligible for benefits under this Plan while they are eligible for benefits under the Delta Family-Care Disability and Survivorship Plan or any other disability benefit plan of the Company.

2.07 Eligibility for Benefits under Plan Restricted to Individuals Who Are or Have Been On Seniority List, and their Beneficiaries and Survivors: Notwithstanding any provision of this Plan to the contrary, and notwithstanding any agreement between the Company and the Association to the contrary, the class of individuals eligible to participate in this Plan shall not be amended to include any individual who was never listed on the Seniority List or the beneficiary or survivor of any individual who was never listed on the Seniority List.

2.08 Subsequent Retirement of an RRP: If an RRP again retires from the Company following his period of employment as an RRP, he will be given an election to choose between his retirement benefits package from his first period of employment and the retirement benefits package in effect at the date of his retirement as an RRP. For this purpose, a "retirement benefits package" (i) may include, but is not limited to, benefits such as medical, dental, survivor, life insurance and travel pass benefits, but (ii) does not include benefits under qualified retirement plans, the terms of which plans will

govern the benefits provided thereunder. If he chooses the retirement benefit package from his first period of employment, then (i) if the benefit eligibility for such coverage is based on length of service, Credited Service or Earnings, then only length of service, Credited Service and Earnings (as those terms are defined in the prior version of the Plan that was in effect when the RRP first retired) from his first period of employment will apply for purposes of determining the benefits under this Plan; (ii) the Term Life Insurance benefit he was eligible for while an RRP will cease on the date he leaves the employ of the Company and the decrement schedule in Section Five of the Plan applicable to his RRP employment period will not apply; and (iii) he will be eligible under the Plan based on the terms and conditions that apply to the benefits from his first period of employment (as they may change from time to time). If he chooses the retirement benefit package from his period of employment as an RRP, then (i) he will be eligible for retiree benefits under this Plan based on the terms of the Plan in effect for that retirement benefit package (as they may change from time to time); (ii) if the benefit eligibility for such coverage is based on length of service, or Earnings, then only length of service and Earnings from his period of employment as an RRP will be used to determine those benefits; and (iii) he will be eligible under this Plan based on the terms and conditions that apply to the benefits from his period of employment as an RRP (as they may change from time to time). If the RRP does not make a retiree benefit package election within 30 days of the date he leaves employment as an RRP, or if he is not eligible for a retiree benefit package from his second period of employment, he will default to the retiree benefit package (and hence the coverage under the Plan) that applied from his first period of employment.

2.09 Eligibility of Certain Former NWA Pilots for Benefits Under This Plan:

(a) An Inactive NWA Pilot is not eligible for benefits under this Plan until he returns to Active Payroll Status under Section 13 C. and Section 15 B., if applicable, of the PWA. At that time he will be eligible for Temporary, Long-Term and Top-Up Disability Benefits (if applicable) under the Plan and the Term Life Insurance benefit described in Section Five of the Plan. His eligibility for sick leave pay and vacation pay benefits will be determined under Sections 14 and 7 of the PWA, respectively.

(b) A NWA Disabled Pilot who began sick leave after December 15, 2005 and, on CBAID, was either (i) receiving long-term disability benefits under the NWA LTD Plan; (ii) on sick leave and will receive disability benefits from the NWA LTD Plan should he exhaust sick leave and vacation leave; or (iii) on unpaid medical leave and is subsequently approved to receive disability benefits from the NWA LTD Plan will remain eligible for those benefits under this Plan after the plan merger on CBAID, if he meets and continues to meet the requirements of Appendix B of the Plan. If, after CBAID, the NWA Disabled Pilot recovers and presents a first class medical certificate to the Company and the Company determines that he meets the applicable physical standards under Section 15 B. of the PWA, such pilot, subject to Section 4.03(e), will at that time be eligible for Temporary, Long-Term and Top-Up Disability Benefits (if applicable) under the Plan and Term Life Insurance benefits described in Section Five of the Plan.

(c) A NWA Disabled Pilot who was, on CBAID, receiving a disability retirement pension from the NWA Pension Plan or will receive a disability retirement

pension from the NWA Pension Plan should he exhaust his sick and vacation leave, will not be eligible for any benefits under this Plan while receiving such disability retirement pension or sick or vacation leave. If, after CBAID, such a NWA Disabled Pilot recovers and successfully completes qualification training, including operating experience, such pilot, subject to Section 4.03(e), will at that time become eligible for the Temporary, Long-Term and Top-Up Disability Benefits (if applicable) under the Plan and Term Life Insurance benefits described in Section Five of the Plan. If such pilot does not successfully complete qualification training, including operating experience, he will remain on the disability retirement pension from the NWA Pension Plan.

(d) A NWA Disabled Pilot who, after CBAID, (i) ceases receiving disability retirement benefits from the NWA Pension Plan due to his attainment of age 60; (ii) recovers and presents a first class medical certificate to the Company; and (iii) is determined by the Company to meet the applicable physical standards under Section 15 B. of the PWA, will at that time, subject to Section 4.03(e), be eligible for Temporary, Long-Term and Top-Up Disability Benefits (if applicable) under the Plan and Term Life Insurance benefits described in Section Five of the Plan.

(e) A NWA Disabled Pilot who, on CBAID was on NWA sick leave will not be eligible for any benefits under this Plan while on NWA sick leave. If he returns to duty immediately from such NWA sick leave status, he will be eligible for the Temporary, Long-Term and Top-Up Disability Benefits (if applicable) under the Plan and Term Life Insurance benefits described in Section Five of the Plan when he reports to duty.

(f) A Prior NWA Pilot is not eligible for any of the benefits under this Plan.



## SECTION THREE

### SICK LEAVE PAY, VACATION PAY AND OTHER LEGALLY PERMISSIBLE BENEFITS

3.01 General: The Plan will provide legally permissible benefits as set forth in this Section Three, as it may be amended in the future. The legally permissible benefits provided by the Plan at this time are sick leave pay and vacation pay.

3.02 Eligibility: An Employee is eligible for sick leave pay and vacation pay pursuant to Section 2.01 and this Section Three of the Plan.

3.03 Annual Limit: The dollar amount of sick leave pay and vacation pay (and other legally permissible benefits) paid under Section Three of the Plan from the Benefit Fund (the Delta Pilots Disability and Survivorship Trust) is limited to \$60 million in any calendar year. After this limit has been reached for a calendar year, the Company, not the Plan, will pay benefits under Section Three.

3.04 Terms and Provisions: The sick leave pay and vacation pay will be provided to eligible Employees from the Plan in the amount and in accordance with the terms and conditions provided in Section 14 (Sick Leave) and Section 7 (Vacation) of the PWA, as that may be amended. Notwithstanding the foregoing, no periodic payout of unused vacation while an Employee nor unused vacation paid out in conjunction with the termination of employment or retirement will be paid from the Plan or the Benefit Fund.

## SECTION FOUR

### DISABILITY BENEFITS

4.01 Eligibility for Disability: An Employee shall be eligible for disability benefits under Section Four only if such disability commenced while the Employee is eligible under Sections 2.02 or 2.03.

4.02 Temporary Disability:

(a) Requirements: An Employee shall qualify for Temporary Disability Benefits during any period of time in which he is prevented from performing the duties of his occupation solely because of injury, pregnancy, sickness or disease (including natural deterioration). The Temporary Disability period under the Plan is 26 weeks; provided, however, no benefits shall be payable during the first seven days of a period of Temporary Disability, and further provided the maximum 26 week period will be reduced by any period excluded for payment under Section 4.06.

(b) Amount of Temporary Disability Benefits: An Employee who becomes temporarily disabled shall be entitled to a semi-monthly benefit equal to (i) reduced by (ii) where:

(i) is equal to one-half of 50% of the Employee's Final Average Earnings; and

(ii) is the sum of the following (pro-rated, as necessary, for application of each offset on a semi-monthly basis):

(aa) Any disability benefit which is payable under any temporary disability or cash sickness benefit law or under an applicable workers' compensation law or occupational disease law (to the extent such benefit is payable on account of the Employee's employment with the Company), whether or not payment of such benefit is forfeited because of failure to apply; and

(bb) (1) The retirement benefits actually paid by the PBGC attributable to the terminated Retirement Plan for any period in which a benefit is paid under this Section 4.02 and by retirement benefits actually paid from the Western Pilots Defined Benefit Plan (D-Plan) (or following termination of the Western D-Plan, from the insurance company) that constitute an offset to the retirement benefits paid by the PBGC attributable to the terminated Retirement Plan. If such retirement benefits are paid in a form other than a single life annuity, then for purposes of this subparagraph (bb) such amount will be based on the single life annuity form of benefit, regardless of the form actually paid. Temporary Disability Benefits will not be offset by any benefits attributable to the terminated Money Purchase Plan, the terminated Bridge Plan, or the terminated Supplemental Annuity Plan.

(2) This subparagraph (bb) (2) (and not subparagraph (bb) (1) above), shall apply in the case of an RRP who becomes

eligible for Temporary Disability Benefits under this Plan. The following retirement benefit offsets to his Temporary Disability Benefit under the Plan will be applied monthly beginning with the first Temporary Disability Benefit payment:

(A) The RRP's retirement benefit actually paid by the PBGC attributable to the terminated Retirement Plan.

(B) Retirement benefits actually paid from the Western Air Lines Defined Benefit Plan (or following termination of the Western D-Plan, from the insurance company) that constitute an offset to the retirement benefits paid by the PBGC attributable to the terminated Retirement Plan. The amount of this offset is determined as of the first date benefits under the Western Air Lines Defined Benefit Plan were paid to the RRP

(C) Offsets for retirement benefits will be based on the single life annuity form of benefit, regardless of the form actually paid. Disability benefits will not be offset by any benefits attributable to the terminated Money Purchase Pension Plan, the terminated Bridge Plan or the terminated Supplemental Annuity Plan.

(3) This subparagraph (bb) (3) (and not subparagraphs (bb) (1) or (2) above) shall apply to a Former NWA Pilot who is

eligible for Temporary Disability Benefits under this Plan. The following retirement benefit offsets to his Temporary Disability Benefit under the Plan will be applied dollar for dollar monthly beginning with the first Temporary Disability Benefit payment:

(A) The gross amount of retirement benefits actually paid to or on account of the Employee from the NWA Pension Plan and NWA Excess Plan for any period in which a benefit is paid under this Section 4.02. If such retirement benefits are paid in a form other than a single life annuity, then for purposes of this subparagraph (bb) such amount shall be converted to an actuarially equivalent single life annuity.

(B) The annuity equivalent of benefits paid from the NWA MP3 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. 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.

(c) Continuity of Temporary Disability: All Temporary Disability absences of an Employee shall be considered as occurring during a single period of Temporary Disability, except that:

(i) Successive Temporary Disability absences separated by at least two consecutive weeks during which the Employee performs his duties as a pilot will not be considered as occurring during the same period of Temporary Disability;

(ii) Successive Temporary Disability absences which are due to unrelated causes and separated by at least one day on which the Employee performs his duties as a pilot will not be considered as occurring during the same period of Temporary Disability.

4.03 Long-Term Disability:

(a) Requirements: Following the later of expiration of his Temporary Disability Benefit period, or exhaustion of his paid sick leave and/or accident leave, an Employee or Participant shall be eligible for Long-Term Disability Benefits, paid in an amount determined under Section 4.03(c), provided:

(i) The Plan Administrator determines that he has met the requirements to be eligible to receive Temporary Disability Benefits under Section 4.02(a) (whether or not he actually received Temporary Disability Benefits), and is not eligible to exercise the privileges of his First Class Medical Certificate; or

(ii) solely for purposes of this Section 4.03(a), the Company determines that he does not meet the standards established by the FAA for the

issuance of a First Class Medical Certificate, including the FAA waiver and restriction policy.

(b) Continuation of Eligibility:

(i) After an Employee has become eligible for and is receiving Long-Term Disability Benefits, the Administrative Committee may require him to submit proof of continuing disability periodically. Such proof of continuing disability shall consist of submission to the Administrative Committee by his Qualified Health Professional of documentation proving that the Employee remains disabled under the terms of the Plan. An Employee will not be required to submit such proof more than once a quarter, during the first two years that the Employee is receiving Long-Term Disability Benefits, and not more than once a year thereafter, during the period that he retains and accrues Seniority under the PWA. Except as provided in the next sentence, the Employee's disability will be considered permanent and no further proof will be required once his name is removed from the Seniority List or ten years after his Event Date. However, if an Employee's name is removed from the Seniority List (other than under Section 13 B. 3. of the PWA) on or after October 1, 2002, then he may be required to submit proof of his continuing disability no more than once a year during the first two years after the date of such removal from the Seniority List. After such two year period, the Employee's disability will be considered permanent and no further proof will be required.

(ii) For a Participant who was on the Seniority List on or after June 1, 2006, the Plan Administrator may use the process described in Appendix A of the Plan (Neutral Doctor Process) to review the medical records and/or to direct a medical review of a Participant who is receiving Long-Term Disability Benefits under the Plan, if the Plan Administrator has a good faith belief that the Participant may not qualify for Long-Term Disability Benefits under the terms of the Plan. The Plan Administrator may not direct such a medical review more than once per year. The medical review process is the exclusive procedure to determine whether a Participant who undergoes such a review is eligible to exercise the privileges of his First Class Medical Certificate, and the decision made in accordance with the process is final and binding on both the Plan Administrator and the Participant.

(c) Amount of Long-Term Disability Benefits:

(i) An Employee who is eligible for Long-Term Disability Benefits shall be entitled to a monthly income benefit equal to (A) minus (B), where:

(A) is the lesser of (1) or (2), as follows:

(1) 50% of Final Average Earnings.

(2) 50% of the product of 80 hours multiplied by the Composite Hourly Pay Rate. The Composite Hourly Pay Rate is the composite hourly pay rate of the position the Employee held on his Event Date. If the Employee did not hold a position on his



Event Date, the Composite Hourly Pay Rate is the composite hourly pay rate in effect on his Event Date for the position he most recently held.

(B) is the sum of the following (determined on a monthly basis):

(1) the amount of retirement benefits paid to or on account of the Employee as described in subparagraph (ii) of this Section 4.03(c) or, in the case of an Employee who is an RRP, as described in subparagraph (iii) of this Section 4.03(c), or for a Former NWA Pilot, as described in subparagraph (iv) of this Section 4.03(c);

(2) workers' compensation payments and state disability income benefits (to the extent such benefit is payable on account of the Employee's employment with the Company), whether or not payment of such benefits is forfeited because of failure to apply;

(3) effective for Long-Term Disability Benefits payable on or after October 1, 2007, Earned Income from employment that exceeds the amount of the Long-Term Disability Benefit amount (as calculated before application of other offsets, but after adjustment of the variable portion of the benefit, as described in Section 6.02 of the Plan). A Participant must report both an estimated and actual amount of Earned Income to the Plan once per year when requested by the Plan Administrator.

This benefit will continue monthly for as long as the Employee remains eligible for Long-Term Disability Benefits pursuant to this Plan.

(ii) If retirement benefits are paid for any month for which a Long-Term Disability Benefit is payable under this Section 4.03(c), then the amount of such Long-Term Disability Benefit shall be reduced dollar for dollar (on a monthly basis) by the retirement benefits actually paid by the PBGC (on a monthly basis) attributable to the terminated Retirement Plan, plus the retirement benefits actually paid from the Western Pilots Defined Benefit Plan (D-Plan) (or following termination of the Western D-Plan, from the insurance company) which constitutes an offset to the retirement benefits paid by the PBGC attributable to the terminated Retirement Plan. If such retirement benefits are paid in a form other than a single life annuity, then for purposes of this Section 4.03(c) such amount shall be converted to an actuarially equivalent single life annuity, using for this purpose, the actuarial equivalent factors under the plan from which the respective retirement benefit is paid, or if that plan has no such factors, the Actuarial Equivalent as that term is defined in the Retirement Plan. In addition, the annuity equivalent of the Participant's account under the Delta Pilots Defined Contribution Plan (the "DC Plan") will offset the benefit payable under this Section 4.03(c) at the time the first distribution from the DC Plan is actually paid, after the Participant's retirement, to or on account of the Participant. The annuity equivalent of the DC Plan account will be determined using an interest rate of 7% and mortality assumptions from GAR-94 projected to 2002 Unisex. Long-Term Disability Benefits will not be offset by any benefits attributable to

the terminated Delta Pilots Money Purchase Pension Plan, the terminated Delta Pilots Bridge Plan or the terminated Delta Pilots Supplemental Annuity Plan.

(iii) If an RRP becomes eligible for Long-Term Disability Benefits under this Plan, the following retirement benefit offsets to his Long-Term Disability Benefit under the Plan will be applied monthly beginning with the first disability payment:

(A) The gross amount of retirement benefits that are actually paid by the PBGC to the RRP attributable to the terminated Retirement Plan.

(B) The annuity equivalent of his Delta Pilots Defined Contribution Plan account with respect to his first period of employment, determined as described in Section 4.03(c)(ii). The amount of this offset is determined as of the first date benefits under the DC Plan are (or were) actually paid to him.

(C) If the RRP continues to receive Long-Term Disability Benefits following the cessation of his employment as an RRP, then his DC Plan benefit from his period of employment as an RRP will also be offset from his Long-Term Disability Benefits as described in Section 4.03(c)(ii).

(D) Benefits under the Western Air Lines Defined Benefit Plan, as described in Section 4.03(c)(ii). The amount of this offset is determined as of the first date benefits under the Western Air Lines Defined Benefit Plan were paid to the RRP.

(iv) For a Former NWA Pilot, a Long-Term Disability Benefit payable under this Section 4.03(c) (regardless of whether such Long-Term Disability Benefit is calculated in accordance with subparagraph (1) or (2) of Section 4.03(c)(i)(A)), shall be reduced dollar for dollar (on a monthly basis) by:

(A) The gross amount of retirement benefits actually paid to or on account of the Employee from the NWA Pension Plan and NWA Excess Plan for any period in which a benefit is paid under this Section 4.03(c). If such retirement benefits are paid in a form other than a single life annuity, then for purposes of this subparagraph such amount shall be converted to an actuarially equivalent single life annuity using the actuarial assumptions specified in the NWA Pension Plan; and

(B) The single life annuity equivalent of benefits paid from the NWA MP3 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. The single life 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; and

(C) The single life annuity equivalent of the Participant's account under the Delta Pilots Defined Contribution Plan (the "DC Plan") will offset the benefit payable under this Section 4.03(c) at the time the first distribution from the DC Plan is actually paid, after the Participant's retirement, to or on account of the Participant. The single life annuity equivalent of the DC Plan account will be determined using an interest rate of 7% and mortality assumptions from GAR-94 projected to 2002 Unisex.

(v) The reduction of the Long-Term Disability Benefit described in subparagraph (ii), (iii) and (iv) shall first be applied to reduce the level fixed portion of the Long-Term Disability Benefit. If the level fixed portion of the benefit is reduced to zero, any remaining reduction shall be applied to reduce the variable portion of the Long-Term Disability Benefit.

(d) This Section 4.03(d) will apply in the case of a disabled Employee, who, after November 11, 2004, returns to Active Work with a First Class medical certificate, other than a disabled Former NWA Pilot described in 4.03(e), below:

(i) If during the first 12 months after his return to work the same disability causes him to be removed from flight status, he will be entitled to his original disability benefit. If during the first 12 months after his return to work a new disability causes him to be removed from flight status he will be entitled to the disability benefit determined in accordance with the Plan without regard to this Section 4.03(d).

(ii) If at any time more than 12 months after his return to work the same or a new disability causes him to be removed from flight status, he shall be entitled to the disability benefit determined in accordance with this Plan without regard to this Section 4.03(d).

(e) (i) If, after an NWA Disabled Pilot described in Section 2.09(b) presents a first class medical certificate to the Company and the Company determines that he meets the applicable physical standards under Section 15 B. of the PWA, such Pilot again becomes disabled for the same disability within twelve 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 (as set forth in Appendix B of the Plan) shall apply in all other respects. If such a Pilot returns to work (in the manner described in the preceding sentence) and again becomes disabled for a different disability or at least twelve months after his return to Active Payroll Status, then his disability benefits will be calculated and paid under the terms of this Plan (other than Appendix B). For purposes of this calculation, to the extent that the Pilot's Earnings do not fill the entire twelve or thirty-six month measurement period used to determine Final Average Earnings under Sections 4.02 and 4.03, then amounts paid while the Pilot was an NWA airman (to the extent such amounts would meet the definition of Earnings under this Plan, if such Earnings had been paid by the Company) will be considered in the determination of the Pilot's Earnings.

(ii) If, after (A) a NWA Disabled Pilot described in Section 2.09(c) successfully completes qualification training, including operating experience; or (B) a NWA Disabled Pilot described in Section 2.09(d) who has not commenced his normal retirement pension from the NWA Pension Plan presents a first class medical certificate to the Company and the Company determines that he meets the applicable physical standards under Section 15 B. of the PWA, such Pilot again becomes disabled for the same disability within twelve 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 (as set forth in Appendix B of the Plan), not the NWA Pension Plan. If such a Pilot returns to work (in the manner described in the preceding sentence) and again becomes disabled for a different disability or at least twelve months after his return to Active Payroll Status, then his disability benefits will be calculated and paid under the terms of this Plan (other than Appendix B). For purposes of this calculation, to the extent that the Pilot's Earnings do not fill the entire twelve or thirty-six month measurement period used to determine Final Average Earnings under Sections 4.02 and 4.03, then amounts paid while the Pilot was an NWA airman (to the extent such amounts would meet the definition of Earnings under this Plan, if such Earnings had been paid by the Company) will be considered in the determination of the Pilot's Earnings.

(iii) If, after a NWA Disabled Pilot described in Section 2.09(d) who has commenced a normal retirement pension from the NWA Pension Plan recovers

and returns to Active Payroll Status, such Pilot again becomes disabled, then his disability benefits will be calculated and paid under the terms of this Plan (other than Appendix B). For purposes of this calculation, to the extent that the Pilot's Earnings do not fill the entire twelve or thirty-six month measurement period used to determine Final Average Earnings under Sections 4.02 and 4.03, then amounts paid while the Pilot was an NWA airman (to the extent such amounts would meet the definition of Earnings under this Plan, if such Earnings had been paid by the Company) will be considered in the determination of the Pilot's Earnings.

4.04 Reserved.

4.05 Top-Up Disability Benefits:

(a) Eligibility: To be eligible for a Top-Up Disability Benefit under the Plan, a Former NWA Pilot must meet the following requirements:

(i) His disability must qualify him for Temporary or Long-Term Disability Benefits under this Section Four of the Plan.

(ii) He must have elected DPMA coverage when he was first eligible to elect such coverage, and he must have maintained such coverage continuously thereafter (unless and until such coverage was no longer available to him for reasons beyond his control).



(iii) He remains disabled after having reached either of the benefit duration limits under the DPMA Disability Benefit (single disability event 12-month limit or the lifetime 24-month limit); and

(iv) The number of hours in the Former NWA Pilot's NWA sick leave bank after the adjustments determined in (A) – (D) below is greater than zero. A Former NWA Pilot's NWA sick leave bank will be equal to the NWA sick leave bank balance after the adjustments under Section 14 O. 1. of the PWA as in effect on CBAID and will be further reduced as follows:

(A) If the sick leave bank, after the adjustments under Section 14 O. 1. of the PWA as in effect on CBAID is over 1200 hours, it will be reduced for each sick leave credit hour that the Former NWA Pilot uses beginning on the June 1 following CBAID (or in the case of an NWA Disabled Pilot or Inactive NWA Pilot, beginning the June 1 following the date the Pilot returns and becomes eligible for this Plan as described in Section 2.09) and once it is reduced to 1200 hours 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.

(B) If the sick leave bank, after the adjustment under Section 14 O. 1. of the PWA as in effect on CBAID 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 date the Pilot returns and becomes eligible for this Plan under Section 2.09) which is in excess of 60 hours in any sick leave year.

(C) The reduction described in (A) or (B) 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. of the PWA.

(D) For each month a Former NWA Pilot receives DPMA disability benefits or Top-Up Disability Benefits, the NWA sick leave bank will be reduced by 80 hours (and will be reduced on a prorated basis for each partial month).

(b) Amount of Top-Up Disability Benefit: 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 described in Section 4.03(c)(i)(A)(2), and subject to Section 4.05(c) of the Plan, 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, adjusted as described in Section 4.05(a)(iv), above.

(c) Limits on Top-Up Disability Benefits:

(i) When a Former NWA Pilot has received a combined total of 24 months of DPMA Disability Benefits and Top-Up Disability Benefits, no further Top-Up Disability Benefits will be paid. Provided, however, if a Former NWA Pilot who had a NWA sick leave bank balance of more than 1920 hours after the

adjustment under Section 14 O. 1. of the PWA as in effect on CBAID, the maximum duration of DPMA Disability Benefits and Top-Up Disability Benefits may be greater than 24 months. This number of months will be determined by taking the number of hours in his NWA sick leave bank after the adjustment in Section 14 O. 1. of the PWA as in effect on CBAID and dividing it 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 or DPMA Disability Benefits since he must meet the requirements of Section 4.05(a) and his NWA sick leave bank balance is still subject to the reduction as described in Section 4.05(a)(iv), above.

(ii) No Top-Up Disability Benefits will be paid to a Former NWA Pilot after he has Retired or otherwise terminated employment.

(d) Source of Top-Up Disability Benefits: The Company may elect to pay Top-Up Disability Benefits from the Benefit Fund, subject to the requirements in Section 10.02(c) of the Plan.

4.06 Limitations and Exclusions:

(a) No Temporary, Long-Term or Top-Up Disability Benefits shall be payable under this Plan:

(i) Until the Employee has been seen and treated personally for the disabling condition by his Qualified Health Professional.

(ii) During any period of time that a Participant is not in compliance with his Qualified Health Professional's recommended treatment for the disabling condition, as provided in writing to the Participant (e.g., statement, report, office notes, prescription); provided, however, that the Participant shall not be considered out of compliance if the Participant elects not to undergo any recommended treatment involving an invasive or experimental procedure. Temporary, Long-Term or Top-Up Disability Benefits will be reinstated when the Participant submits proof that he is in compliance with his Qualified Health Professional's written recommended treatment.

(iii) For any period for which the Employee receives salary or other compensation from an Employing Company.

(iv) In respect of a period after the Participant's attainment of the FAA Mandatory Retirement Age.

(v) If a Participant is required to provide continuing proof of eligibility for Temporary, Long-Term or Top-Up Disability Benefits under the terms of this Plan, proof of required offset amounts, such as the amount of retirement benefit paid by the PBGC, or information regarding income from other employment, and the Participant does not provide such information within a reasonable period of time following a written request by the Plan for such information, the disability benefits under the Plan may be discontinued.

(vi) For periods after a Participant voluntarily requests that his benefits cease and/or withdraws his application for benefits.

(b) No Temporary, Long-Term or Top-Up Disability Benefits shall be payable under this Plan as a result of any disability which was:

(i) Directly or indirectly caused or contributed to by war or invasion while engaged in or taking part in military service or operations, except military duty while actively employed by the Company and receiving Earnings from the Company, or military duty while on leave of absence from the Company for a maximum of 60 days in any 12 month period;

(ii) directly or indirectly caused or contributed to by intentional self-injury; or

(iii) directly caused or contributed to by crop dusting, spraying or seeding.

(c) Long-Term Disability Benefits paid for psychiatric conditions, alcoholism and drug abuse are limited to a 24-month lifetime maximum.

## SECTION FIVE

### TERM LIFE INSURANCE

#### 5.01 Term Life Insurance

(a) Eligibility: The Term Life Insurance benefit described in this Section Five of the Plan will apply to Employees eligible for this benefit under Section Two of the Plan.

(b) Beneficiary: The Term Life Insurance benefit described in this Section 5.01 shall be paid in a lump sum to the Beneficiary designated by the Participant, provided that if no Beneficiary survives the Participant or none is designated, the insurance proceeds shall be paid according to the following order:

(i) To the Participant's surviving legal spouse or domestic partner on file in the Company's records;

(ii) To the Participant's surviving child(ren) in equal amounts, if there is no surviving spouse or domestic partner on file in the Company's records;

(iii) To the Participant's surviving parent(s) in equal amounts, if there is no surviving child; or

(iv) To the Participant's estate, if there is no surviving parent.

(c) Guaranteed Insurability: The Term Life Insurance benefit will provide for guaranteed insurability of all pilots on January 1, 2008 and all future pilots at date of hire.

(d) Amount of Term Life Insurance Benefit prior to Retirement:

(i) Unless a different amount is elected as described in subclause (ii), the Term Life Insurance benefit is the greater of (A) \$500,000 or (B) 2500 times the 12 year captain hourly rate on the highest paying aircraft type outlined in the PWA in effect on January 1st of each year.

(ii) An Employee or former pilot on disability status may elect an amount of Term Life Insurance, in lieu of the amount under subclause (i), above, as follows:

(A) During his first enrollment period as a new hire (or the first enrollment period after an Inactive NWA Pilot or NWA Disabled Pilot first becomes eligible for benefits under the Plan), an Employee may elect one of the following amounts: \$50,000, \$200,000, \$300,000 or \$400,000. The amount elected will be effective at the time that the annual enrollment elections for his other benefits become effective. From the Employee's date of hire, until that time, his Term Life Insurance will be the amount under subclause (i) of this subsection (d).

(B) During the annual open enrollment period, or during an enrollment opportunity extended upon an Employee's return to Active Payroll Status, an Employee, or former pilot on disability status, may elect any of the following amounts of life insurance, if the amount elected is lower than the amount the insured currently has in force: \$50,000, \$200,000, \$300,000 or \$400,000. The amount elected during annual

open enrollment will be effective the following January 1 or when the Employee's other enrollment elections become effective, in the case of an Employee returning to Active Payroll Status.

(C) During the annual open enrollment period or during an enrollment opportunity extended upon a return to Active Payroll Status, and subject to the submission of evidence of insurability satisfactory to the insurer of the Term Life Insurance policy, an Employee on Active Payroll Status may elect any of the following amounts of Term Life Insurance, if the amount elected is higher than the amount the insured currently has in force: \$200,000, \$300,000, \$400,000 or the amount in subclause (i) of this subsection (d). The amount elected during open enrollment will be effective on the following January 1, or, if later, when the evidence of insurability is approved by the Insurer of the Term Life Insurance. The amount elected by an Employee returning to Active Payroll Status will be effective when the Employee's other enrollment elections become effective, or if later, when the evidence of insurability is approved by the Insurer of the Term Life Insurance.

(e) Post-Retirement Term Life Insurance Benefit: Immediately after an eligible Employee becomes Retired, the amount of Term Life Insurance will reduce to the lesser of \$250,000, or the amount of life insurance he has elected and that was in effect at retirement under subsection (d). On each successive anniversary of his retirement, the amount will be reduced by \$50,000, but not below \$10,000. The final



reduction will be to \$10,000 and will remain \$10,000 for the remainder of his lifetime. As described in Section 2.02, the post-retirement Term Life Insurance under this Section 5.01(e) will apply to a pilot who participated in (and retired under) the 2011 55-Point Program (55-Point Program), as described in Letter of Agreement #28, who had not reached age 50 by his Retirement Date. The reduction described in this Section 5.01(e) will take place immediately upon such a 55-Point Program pilot's retirement, regardless of his age at retirement.

(f) Exclusions: There will be no exclusions from coverage under the Term Life Insurance benefit, other than that described in Section 12.02 of the Plan.

## SECTION SIX

### FORM OF BENEFIT

6.01 Recipient: The normal form of income benefit payable as a result of the Employee's disability shall be an income payable to him for the duration of his disability, subject to the limitations provided in the Plan.

6.02 Variable Benefit: One-half of the monthly income benefit payable under Section 4.03 (Long-Term Disability) as a result of the Employee's disability will be payable as a level fixed amount and one-half will be payable on a variable basis as hereinafter described.

On the date on which Long-Term Disability benefit payments from this Plan commence, that half of the benefit which is to be variable will be converted to benefit units by dividing it by the value of a benefit unit on the earlier of the date the benefit commences or the Employee's Retirement Date. The annual rate of income in dollars payable in any month thereafter shall be equal to the total number of benefit units multiplied by the value of a benefit unit during that month.

The value of a benefit unit shall be \$10.00 as of February 1, 1972 and shall continue unchanged until March 31, 1973. On that date, and on each March 31 thereafter, the value of a benefit unit will be redetermined by changing the value of the benefit unit as of the preceding March 31 by a percentage equal to (a) minus (b), where:

(a) is the five year weighted average (using the five preceding calendar years, using weights of 5, 4, 3, 2 and 1 for the most recent calendar year and each of the four preceding calendar years respectively) of the weighted average yield (using a value weighted formula) for each such year of the Benefit Fund. For the calendar years 1968 through 1971, the total yield on the Benefit Fund will be deemed to be the same as the yield of the Standard & Poor's Index (including dividends) for that year; and

(b) is 6.5%.

The variable adjustment described in Section 6.02 shall not cause a Participant's monthly Long-Term Disability Benefit to be reduced below the monthly dollar amount initially paid to him.

## SECTION SEVEN

### CLAIMS AND CLAIM REVIEW PROCEDURE

#### 7.01 Filing a Claim:

(a) All claims for benefits shall be made on the Plan's forms, shall contain all information requested on such forms, and shall be accompanied by such verification of entitlement to benefits as the Administrative Committee may request. If additional information is needed, it must also be provided. Benefits payable under this Plan shall be paid only after a properly completed claim containing all requested information is submitted to the Plan. The procedures for reviewing claims and appeals set forth in this Section Seven of the Plan shall be construed and applied in accordance with Department of Labor Regulations Section 2560.503-1, as amended (Claims Procedure Regulations), and any guidance issued by the Department of Labor with respect to such Claims Procedure Regulations.

(b) Claims for Temporary Disability benefits must be filed within 180 days after the Event Date. Claims for Long-Term Disability Benefits must be made within 180 days of the expiration of the Temporary Disability period. Claims for Term Life Insurance benefits must be filed within 180 days after the Participant's death. Any claim received after these dates shall not be valid, unless the Administrative Committee shall, in accordance with ERISA, determine that an extension of the above claim deadlines may be made in such case.

#### 7.02 Initial Claims Decisions.

(a) Temporary, Long-Term or Top-Up Disability Claims: If a Temporary or Long-Term Disability claim submitted to the Plan in accordance with Section 7.01 is denied, or if an Employee's request for Top-Up Disability Benefits is denied, the Employee will be notified in writing of the denial within 45 days of the date the claim is received; provided, however, if special circumstances require additional review of the claim, the Plan may extend such period an additional 30 days. If the additional time period is needed, the claimant will be notified of the circumstances requiring the extension of time, and the date by which the decision on the claim is expected. If prior to the end of the first 30-day extension period, the delegate of the Administrative Committee determines that due to circumstances beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided the delegate of the Administrative Committee notifies the claimant prior to the expiration of the first 30-day extension period of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. In the event that the period of time is extended as described in this Section 7.02(a) due to the claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(b) Term Life Insurance Benefits: If a claim for Term Life Insurance benefits submitted to the Plan in accordance with Section 7.01 is denied, the person submitting

the claim will be notified in writing of the denial within 90 days of the date the claim is received; provided, however, if special circumstances require an extension of time for processing the claim, the Plan may extend such period an additional 90 days. If the additional time period is needed, the claimant will be notified in writing of the special circumstances requiring the extension of time, and the date on which the decision on the claim is expected. In no event shall such extension exceed a period of 90 days from the end of the initial 90-day period.

7.03 Appeal of Claims:

(a) Appeals of Temporary, Long-Term or Top-Up Disability Benefits: If the decision on a Temporary, Long-Term or Top-Up Disability claim under Section 7.02(a) results in an adverse benefit determination, the claimant, his attorney, or other duly authorized representative may request a review of the claim within 180 days after receipt of the notification of the adverse benefit determination. Such appeal shall be reviewed and determined by the delegate of the Administrative Committee or, in the case of an adverse benefit determination regarding the Employee's eligibility to participate in the Plan or the calculation of the Employee's benefit payment amount, the Administrative Subcommittee, within 45 days after the receipt of the claimant's request for review by the Plan, unless the Administrative Subcommittee or the delegate of the Administrative Committee, as the case may be, determines that special circumstances require an extension of time for processing the claim. If it is decided that an extension of time is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 45-day period. The extension notice shall indicate the

special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review, which shall in no event be longer than a period of 45 days from the end of the initial 45-day period. In the event that a period of time is extended in accordance with this Section 7.03 due to a claimant's failure to submit information necessary to decide a claim, the period for making a benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. Following a decision to deny the claim upon review by either the Administrative Subcommittee or the delegate of the Administrative Committee, whichever is applicable, the Employee may voluntarily appeal to the Administrative Committee in accordance with Section 7.04 of the Plan; provided, however, that such voluntary appeal shall not be part of the Plan's mandatory appeal process.

(b) Appeals of Term Life Insurance: If the decision under Section 7.02(b) on a Term Life Insurance benefit claim, results in an adverse benefit determination, the claimant, his attorney, or other duly authorized representative may request a review of the claim within 90 days after receipt of the notification of the adverse benefit determination. Such appeal shall be reviewed and determined by the Administrative Subcommittee within 60 days after the receipt of the claimant's request for review by the Plan, unless the Administrative Subcommittee determines that special circumstances require an extension of time for processing the claim. If the Administrative Subcommittee determines that an extension of time for processing is required, written

notice of the extension shall be furnished to the claimant prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial 60-day period. The extension notice shall indicate the special circumstances requiring the extension of time and the date by which the plan expects to render the determination on review. In the event that a period of time is extended as provided in this Section 7.03(b) due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. Should the Administrative Subcommittee uphold such denial upon review, the person submitting the claim may appeal to the Administrative Committee in accordance with Section 7.04. Such second level of appeal, as described in Section 7.04, shall be mandatory under the Plan's claim review procedure for Term Life Insurance benefit claims under this Plan.

7.04 Administrative Committee: If there is a denial of a benefit determination on review, as described in Section 7.03(a) or 7.03(b), the claimant, his attorney or duly authorized representative, may request a review of the claim by the Administrative Committee (this level of review shall be voluntary with respect to claims described in Section 7.03(a) and mandatory with respect to claims described in Section 7.03(b)). The request for review must be made in writing and directed to the Secretary of the Administrative Committee and must be received within 90 days of the notice of the denial of the appeal. The Administrative Committee will review the claim at its next



regularly scheduled quarterly meeting following receipt of the request for review; provided, however, if the request for review is received within 30 days preceding the date of the next regularly scheduled quarterly meeting, the claim will be considered at the following meeting. If additional time is required to review a claim, the Committee may consider the claim at a third meeting following its receipt of the request for review. If additional time is needed, the Administrative Committee will notify the claimant of the delay and the reason therefor. In the event that a period of time is extended as provided in this Section 7.04 due to a claimant's failure to submit information necessary to decide a claim, the period for making the benefit determination on review shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. In addition, the claimant may request the Committee to delay its review until as late as the date of the third meeting following the Committee's receipt of the request for review. Following review of the claim, the Administrative Committee will notify the claimant in writing of its decision. This notification will be sent no later than 90 days after the decision is made with respect to the review of a benefit determination described in Section 7.03(a). This notification will be sent no later than five days after the decision is made with respect to the review of a benefit determination described in Section 7.03(b). If the Committee fails to do so, the claim shall be deemed denied on review.

7.05 Review Only Upon Written Record: Review by the Administrative Subcommittee, , the Administrative Committee, or the delegate of the Administrative Committee will be made only upon the written record. The claimant, his attorney, or

duly authorized representative may review, upon request, documents relevant to the claimant's claim for benefits. Whether a document is relevant to a claim for benefits shall be determined by reference to the Claims Procedure Regulation (as defined in Section 7.01). The claimant, his attorney, or duly authorized representative may submit written comments (including a statement of issues), documents, records, additional documentary evidence, and/or other information relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

7.06 Grievance: Following exhaustion of the mandatory claims review procedures described in Sections 7.03 and 7.04 (or following exhaustion of both the mandatory and voluntary claims review procedures described in Sections 7.03 and 7.04 with respect to a claimant who has chosen to avail himself of such voluntary claims review procedures), a claim that remains denied and exceeds \$1,000 may be grieved in accordance with the Letter of Agreement between the Company and the Air Line Pilots Association entitled "Benefit Review Board". Such a grievance shall be voluntary and is not part of the Plan's appeal process.

7.07 Exhaustion: The mandatory claims review procedures described in this Section Seven must be exhausted before any legal action on a claim is filed. The review procedures described in this Section Seven are the exclusive administrative procedures provided under the Plan.

SECTION EIGHT

EMPLOYING COMPANIES

The following companies are hereby designated as Employing Companies as of the date set forth below:

<u>Company</u>	<u>Acquisition Date</u>	<u>Employing Company Date</u>
Delta Air Lines, Inc.	Not Applicable	Not Applicable
Northwest Airlines, Inc.*	October 30, 2008	October 30, 2008

\*For historical purposes only. Northwest Airlines was an Employing Company from October 30, 2008 until the merger of that subsidiary into Delta Air Lines, Inc. on December 31, 2009. Effective from the time of that merger, Delta Air Lines will be the Company for purposes of the Plan with respect to all Employees.

SECTION NINE

RESERVED

## SECTION TEN

### CONTRIBUTIONS AND BENEFIT FUND

10.01 Employee Contributions: No contributions shall be required from any Employee except as provided in this Section 10.01 or elsewhere in the Plan. An Employee whose Term Life Insurance benefit has been reduced pursuant to Section 5.01(e) may contribute to the Plan for the purpose of continuing the amount of the Term Life Insurance benefit that is reduced until the earlier of five years after the Employee's Retirement Date or age 65. Also, an Employee on approved leave of absence may contribute to the Plan for purposes of continuing the Term Life Insurance benefit. The amount of contribution required shall be determined by the Administrative Committee from time to time on a uniform basis with respect to all persons similarly situated. Such contributions must be paid monthly in advance and will be used to provide benefits under the Plan.

10.02 Contributions by the Employing Companies:

(a) The Plan shall engage an Actuary to submit annually an actuarial valuation evidencing the actuarial position and actuarial costs of the Plan. Each such actuarial statement or actuarial valuation shall give regard to the Plan's short-term and long-term financial needs, including liquidity requirements, and shall be forwarded to the person or persons in the Employing Company designated by the Administrative Committee to review such statements and valuations and to recommend appropriate contributions to the Benefit Fund by the Employing Companies. The contributions of the

Employing Companies shall be paid at reasonable periodic intervals taking into consideration the recommendations contained in the latest actuarial valuation.

(b) On April 15, 2011 and on each April 15 thereafter, the Company will make a funding payment to the Benefit Fund equal to the lesser of (i) 4% of the consolidated Free Cash Flow of the Company, as determined under United States Generally Accepted Accounting Principles, for the prior calendar year and reported in the Company's public securities filings or (ii) \$60 million. Such payment will not be required on any April 15th if the net asset balance of the Benefit Fund on the immediately preceding December 31st exceeded \$1.2 billion. Contributions required under this Section 10.02(b), if any, shall be in addition to any contributions made pursuant to Section 10.02(a), above, if any.

(c) Effective with the calendar quarter ending December 31, 2008, the Company will contribute to the Delta Pilots Disability and Survivorship Trust (the D&S 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, Long-Term Disability and Top-Up Disability Benefits) paid from the D&S Trust to a Former NWA Pilot. In addition, the actual amount of premiums paid from the D&S Plan and D&S Trust to provide the Term Life Insurance (including the retiree Term Life Insurance) described in Section Five of the Plan for Former NWA Pilots for that calendar quarter will also be contributed to the Trust.

10.03 Benefit Fund: The Company shall establish and maintain a Benefit Fund into which the contributions of each Employing Company under this Plan shall be paid.

The Benefit Fund may consist of any combination of trust funds and insurance contracts. The Benefit Fund shall be allocated among Employing Companies under the direction of the Committee. Where an Employee transfers from one Employing Company to another he shall be treated to the extent practical and consistent with his accumulated credits as having always been with the new Employing Company for the purpose of allocated assets and liabilities.

10.04 Exclusive Benefit Rule: At no time shall any part of the corpus or income of the Benefit Fund be used for or diverted to any purpose other than for the exclusive benefit of the Participants and their Beneficiaries and defraying reasonable expenses of administering the Plan. No person, including the Employing Companies, shall have any financial interest in or right to the Benefit Fund or part thereof, except as expressly provided for in the Plan and the Trust.

10.05 Source of Benefit Payments:

(a) Sources for benefit payments include the Benefit Fund, any insurance policies owned by the Benefit Fund and contributions made directly to the Plan by an Employing Company. Each Employing Company is obligated to make contributions to the Plan in an amount sufficient to allow the Plan to make all benefit payments.

(b) Benefit payments from the Plan shall be paid from the Benefit Fund, including any insurance policies entered into by the Plan or from contributions made directly to the Plan by an Employing Company to provide such benefit payments. Such payments shall be made upon the order of the Administrative Committee or its delegate.

(c) Notwithstanding anything else in the Plan to the contrary, the Plan and not the Company will be obligated to pay the benefits provided under Section Three of the Plan, in an amount of no more than \$60 million each year.

10.06 Forfeitures: Forfeitures shall be used to reduce Company contributions and shall not be used hereunder to increase the benefit of any person prior to termination of the Plan or complete discontinuance of contributions.

10.07 Overpayments: Except in the case of an overpayment described in Section 12.06(b), in the event of an overpayment from this Plan, a Participant will be notified in writing of the circumstances resulting in the overpayment and the amount of the overpayment. The Participant will be informed that he has 45 days from the date of the letter to contact the Plan to make arrangements for repayment. The letter will advise the Participant that if contact is not made within the 45 day period the Plan will recoup the overpayment in equal installments over the next six months from payments due from the Plan, without interest. If requested by the Participant during the 45 day period, an alternate arrangement will be made to permit repayment in equal monthly installments over a period of up to 48 months, without interest. In the event there are insufficient future monthly payments due from the Plan, repayments will be made by the Participant in equal monthly installments over the established repayment period (six months or up to 48 months), without interest. In the event of default in payment of one or more installments, the entire amount will become immediately due and the Plan Administrator may pursue collection of such amount (including interest and collection fees) to the full extent permitted by law. This overpayment provision will be applicable to



the benefits described in Appendix B to the Plan with respect to overpayments first discovered on and after CBAID.

10.08 Expenses: Brokerage commissions, transfer taxes, taxes on investments, and other charges and expenses in connection with the purchase or sale of securities for the Benefit Fund and all other reasonable costs and expenses incurred in administering the Plan shall be charged to the Benefit Fund unless borne by the Company.

## SECTION ELEVEN

### ADMINISTRATION

11.01 Administrative Committee: The operation and administration of the Plan (except the responsibility for investment and control of assets, which is given to the Benefit Funds Investment Committee pursuant to Section 11.07 of this Plan), the exclusive power to interpret it, and the responsibility for carrying out its provisions are vested in the Administrative Committee of at least three members, which Committee shall be the Administrator of the Plan, provided, however, that this responsibility shall not extend to the management and control of the assets of the Plan. The Executive Vice President - Human Resources of the Company shall appoint the Administrative Committee members and shall have the power of removal and substitution, and shall designate the Chairman of the Committee. Any Administrative Committee member may resign by notifying the Company and the Administrative Committee Secretary in writing. The Administrative Committee shall establish rules for administration of the Plan and transaction of its business. The Administrative Committee shall be the named fiduciary of the Plan for purposes of operation and administration of the Plan, and, in addition, any duty which is not expressly allocated to the Benefit Funds Investment Committee, or with respect to which an allocation is in doubt, shall be deemed to be allocated to the Administrative Committee.

11.02 Powers and Duties of the Administrative Committee: In addition to powers and duties otherwise stated in this Plan, the Administrative Committee shall have such

duties and powers as may be necessary to discharge its responsibilities under the Plan, including, but not limited to, the following:

(a) To establish and enforce such rules, regulations, and procedures as it shall deem necessary or proper for the efficient operation and administration of the Plan;

(b) To interpret the Plan, and decide all questions of eligibility of any individual to participate in the Plan or to receive benefits under it, its interpretation thereof in good faith to be final and conclusive;

(c) To determine the amount, manner, and time of payment of benefits which shall be payable to any individual in accordance with the provisions of the Plan, and to determine the person or persons to whom such benefits shall be paid;

(d) To authorize the payment of benefits and reasonable expenses for administering the Plan;

(e) To prescribe procedures to be followed in filing applications for benefits;

(f) To prepare and distribute, in such manner as the Administrative Committee determines to be appropriate and consistent with applicable law, information explaining the Plan;

(g) To decide all questions concerning the Plan;

(h) To furnish the Board of Directors of the Company, upon request, and government agencies as required, such reports with respect to the administration of the Plan as are reasonable and appropriate, and

- (i) To delegate its power and duties as set forth in Section 11.04.

In the exercise of all of its functions, the Administrative Committee shall act in an impartial and non-discriminatory manner with respect thereto.

11.03 Administrative Committee Actions: The decisions of the Administrative Committee as to interpretation and application of the Plan shall be final, except as provided in Section 7.06 Grievance. A certification of acts and directives of the Committee by the Secretary of the Administrative Committee shall constitute complete proof to third parties dealing with the Administrative Committee of the authenticity of such acts and directives.

11.04 Delegation of Duties: For purposes of operation and administration of the Plan, the Administrative Committee may:

- (a) Appoint one or more other committees, or subcommittees whose members need not be members of the Administrative Committee, and determine their powers;
- (b) Employ counsel and agents;
- (c) Obtain clerical, accounting, and actuarial assistance;
- (d) Authorize one or more Administrative Committee members or any agent to execute or to deliver any written instructions, requisitions, orders, notices, or any other instruments or to make payments on its behalf;
- (e) Allocate its fiduciary responsibilities among the members of the Administrative Committee;

(f) Delegate its fiduciary responsibilities to persons other than members of the Administrative Committee.

The Administrative Committee or its delegate may direct that the resources of the Fund be used for the purposes described in subparagraphs (b) and (c) above.

11.05 Plan Records: The Administrative Committee shall maintain appropriate accounts and records relating to the operation and administration of the Plan, the Benefit Funds Investment Committee shall maintain appropriate accounts and records relating to the investment policies and control of assets of the Plan, and both the Benefit Funds Investment Committee and the Administrative Committee shall keep in convenient form the data necessary for actuarial valuations and shall keep records of all allocations and delegations of fiduciary responsibilities that each makes, including terminations and modifications of such allocations and delegations.

11.06 Administrative Committee Expenses: Any expenses incurred by the Administrative Committee in the performance of its duties shall be paid by the Company, provided that the Administrative Committee members shall receive no additional compensation for their services on said Committee.

11.07 Benefit Funds Investment Committee: Notwithstanding the provisions of Sections 11.01 and 11.02, the Benefit Funds Investment Committee shall be the named fiduciary of this Plan for purposes of formulating and managing the investment policies and controlling the assets of the Plan (to the extent that such control is not part of the responsibility of the Administrative Committee to direct the payment of benefits or reasonable expenses in its administration of the Plan). The Benefit Funds Investment

Committee shall have at least three members (but may have more) and shall be made up of officers and employees of the Company. The three core members of the Benefit Funds Investment Committee will be (i) the treasurer of the Company; (ii) the officer primarily responsible for the Company's internal audit and risk management matters; and (iii) the officer primarily responsible for the Company's employee benefit matters (other than the Executive Vice President in charge of Human Resources). In the performance of its duties, the Benefit Funds Investment Committee shall have the authority to: (a) employ directly or indirectly persons to render advice with respect to its responsibilities under the Plan; (b) appoint (and discharge) trustees and investment managers (as defined in Section 3(38) of ERISA), provided, however, regardless of the appointment of any such investment manager or managers, the right to vote, or instruct the trustee as to how to vote, any shares of equity securities held in the Benefit Fund shall be reserved to the Benefit Funds Investment Committee as part of its fiduciary responsibility; (c) manage any or all assets of the Plan; (d) allocate fiduciary responsibilities for investment policy and controlling assets among members of the Benefit Funds Investment Committee; and (e) designate persons other than the named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan.

11.08 Benefit Funds Investment Committee Actions: The decisions of the Benefit Funds Investment Committee as to investment policy and controlling the assets of the Plan shall be final. A certification of acts and directives of the Benefit Funds Investment Committee by the Secretary of the Benefit Funds Investment Committee shall constitute

complete proof to third parties dealing with the Benefit Funds Investment Committee of the authenticity of such acts and directives.

11.09 Benefit Funds Investment Committee Expenses: Any expenses incurred by the Benefit Funds Investment Committee in the performance of its duties under this Plan shall be paid by the Company or at the direction of the Benefit Funds Investment Committee from the assets of the Trust in accordance with procedures acknowledged by the Benefit Funds Investment Committee or its delegate.

11.10 Indemnification: The Company shall indemnify each Benefit Funds Investment Committee member or former member, each Administrative Committee member or former member, and each other person who is or was an employee of the Company and who is or was carrying out such responsibilities pursuant to a delegation of fiduciary responsibilities by the Benefit Funds Investment Committee or the Administrative Committee, against costs, expenses and liabilities, including attorney's fees, incurred in connection with any action, suit or proceeding instituted against him because of any act or omission or commission performed by him as a Benefit Funds Investment Committee or Administrative Committee member or as such other person who is or was an employee of the Company and who is or was carrying out fiduciary responsibilities duly delegated to him by the Benefit Funds Investment Committee or the Administrative Committee, while acting in good faith and exercising his judgment for the best interest of the Plan, its Participants, and Beneficiaries.

Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is

to be made against an Employing Company, notify the Company of the commencement thereof, and the omission to so notify the Company will relieve the Company from its indemnity to such indemnified person, but not from any other liability which it may have to such person. The Company shall be entitled to participate at its own expense in the defense or to assume the defense of any action brought against any party indemnified hereunder.

In the event the Company elects to assume the defense of any such suit, such defense shall be conducted by counsel chosen by it and reasonably satisfactory to the indemnified party, and the indemnified party shall bear the fees and expenses of any additional counsel retained by him.

The Plan or the Company or both may purchase insurance for their fiduciaries or for themselves to cover liability or losses occurring by reason of the act or omission of a fiduciary, provided that if purchased by the Plan, such insurance must permit recourse by the insurer against the fiduciary in the case of a breach of fiduciary obligation by such fiduciary.

A fiduciary may purchase insurance to cover liability resulting from a breach of fiduciary obligation by such fiduciary, or the Company may purchase insurance to cover liability of one or more persons who serve in a fiduciary capacity with regard to this Plan (whether named fiduciaries or not).



## SECTION TWELVE

### GENERAL PROVISIONS

12.01 Payments to Minors and Incompetents: If the Administrative Committee shall receive satisfactory evidence that an individual who is entitled to receive any benefit under the Plan is, at the time when such benefits become available, a minor or is physically unable or mentally incompetent to receive such benefit and to give a valid release therefor and that no legal guardian has been appointed for such minor or incompetent, and that another person or an institution is then maintaining or has custody of such individual, the Administrative Committee may in its discretion authorize payment of such benefit otherwise payable to such other person or institution, and the release of such person or institution shall be a valid and complete discharge for the payment of such benefit.

12.02 Person Causing Death of Employee: If a person is convicted of, or pleads guilty to, voluntarily causing the death of, or conspiring to cause the death of, the Employee, that person shall not in any event be eligible to receive benefits (including Term Life Insurance benefits) under this Plan. During any time the question of guilt or innocence is being determined, all benefits for that person shall be withheld.

12.03 Suspension, Redirection or Termination of Benefits: Notwithstanding any other provisions of this Plan, if the Administrative Committee shall determine that Income Benefits are no longer being applied primarily for the care, support and maintenance of the individual entitled to receive the benefit, the Committee may redirect

the payment of such benefits to more nearly accomplish the purposes of this Plan, or may suspend or terminate the payments of such benefits.

12.04 Small Payments: In the event that any benefit provided under the Plan is payable in an amount of less than \$30 monthly, the Administrative Committee may direct that a lump sum settlement that is the actuarial equivalent in value be paid in lieu of any other benefit under the Plan.

12.05 Plan Not a Contract of Employment: The Plan shall not be deemed to constitute a contract between the Company, or any Employing Company and any Employee, nor to be a consideration for the employment of any Employee. Nothing in the Plan shall give an Employee the right to be retained in the employ of an Employing Company; all Employees shall remain subject to discharge, discipline or layoff to the same extent as if the Plan had not been put into effect.

12.06 Misstatement in Application for Benefits: If in any application or response to the Administrative Committee a person makes any statement which is erroneous, or omits any material facts, or fails before receiving his first payment to correct any information that he previously incorrectly furnished to the Administrative Committee for its records, the amounts of benefits shall be adjusted on the basis of the facts and:

(a) the amount of any underpayment theretofore made to such person shall be adjusted, as the Administrative Committee shall direct;

(b) the amount of any overpayment that resulted from such person's material misstatement or omission that is determined by clear or convincing evidence to have

been made with an intent to defraud the Plan shall be recovered or shall be deducted from any succeeding benefit payments due, as the Administrative Committee shall direct; and

(c) the amount of any overpayment not described in (b) shall be repaid or recouped as provided in Section 10.07.

12.07 Missing Persons: If the Administrative Committee is unable, within three years after any benefit becomes due from the Benefit Fund to any person, to authorize payment because the identify or whereabouts of such person cannot be ascertained, the Administrative Committee shall direct that such benefit and all other benefits with respect to such person shall be forfeited and all liability for the payment thereof shall terminate.

12.08 Non-Alienation of Benefits: Except as required by law, no benefit, payment or distribution under this Plan shall be subject to the claim of any creditor of the Participant, his Spouse or his Beneficiary, or to any legal process by any creditor of such person (except a federal tax levy made pursuant to Section 6331 of the Internal Revenue Code), and no such person shall have any right to alienate, commute, anticipate or assign (either at law or in equity) all or any portion of any benefit, payment or distribution under this Plan except to the extent provided herein; provided, however, a Participant may make a voluntary and revocable assignment, but only for such purposes as the Administrative Committee may from time to time specify.

Notwithstanding this Section 12.08, (i) a Participant may make a voluntary assignment from his sick leave pay or vacation pay as long as such assignment is of the type

permitted by the Company from ordinary pay and (ii) any involuntary assignment made from sick leave pay or vacation pay may only be made to the extent permitted by law.

12.09 Liability Limited: The Company, its officers and directors, the Benefit Funds Investment Committee and the Administrative Committee, and each Employing Company, their officers, directors and employee fiduciaries of the Plan will normally rely on tables, valuations, certificates, opinions and reports which are furnished by an actuary, accountant, trustee, insurance company, counsel or other expert who shall be employed or engaged by the Company, the Benefit Funds Investment Committee, the Administrative Committee or an Employing Company.

12.10 Modification or Discontinuance of the Plan or Complete Discontinuance of Company Contributions:

(a) The Company and each Employing Company expect and intend to maintain the Plan in force indefinitely, but necessarily reserve the right to discontinue the Plan at any time.

(b) At any time and from time to time, an Employing Company may amend the Plan in whole or in part, or may suspend contributions, provided that in no event and under no circumstances shall any amendment to the Plan become effective unless under the Plan as amended:

(i) no part of the net earnings of the Plan may inure to the benefit of the Company or any shareholder of the Company except through the payment of benefits otherwise payable under the Plan; and

(ii) the class of individuals eligible to participate in the Plan is not expanded in violation of the provisions of Section 2.07.

(c) Any action taken by an Employing Company under this Plan may be by resolution of the Board of Directors of the Company, or through approval or ratification by any person or persons duly authorized by resolution of said Board to take such action.

12.11 Distribution of Assets of Benefit Fund: In the event that contributions of all Employing Companies are permanently discontinued or in the event that it becomes necessary to discontinue the Plan, the assets then remaining in the Benefit Fund shall be applied in the following order, all persons in each class being entitled to their respective proportionate shares based upon the value of their benefits at the time of application:

FIRSTLY: Provision to Participants, Eligible Family Members (who for purposes of this Section 12.11 are individuals who are eligible for monthly survivor income benefits as defined in prior versions of this Plan) and Beneficiaries of any benefit payment to which they shall be currently entitled under this Plan at the time of discontinuance.

SECONDLY: Provision to Participants and Eligible Family Members who are receiving income benefits under this Plan and Beneficiaries of Disabled employees, of any remaining benefits to which they shall be entitled under the Plan as a result of death prior to discontinuance, and becoming Disabled prior to discontinuance, including subsequent death after discontinuance.

THIRDLY: Provision to other Participants, Eligible Family Members and Beneficiaries of the benefits to which they shall be entitled under this Plan as a result of death or becoming Disabled after discontinuance, for such period of time after discontinuance as the assets remain sufficient to cover the value of all future expected benefit payments to the Participants, Eligible Family Members and Beneficiaries.

12.12 IRS Approval: The Company intends the Plan to qualify for tax exemption under Sections 501(c)(9) and 505 of the Code and Regulations. If the Company applies for a determination letter from the Internal Revenue Service that the Plan qualifies under Sections 501(c)(9) and 505 of the Code and Regulations and the Service requires an amendment to the Plan or Trust before granting such determination letter, the Company may make such amendments and may, at the Company's election, make such amendments retroactively to the extent specified by the Company.

12.13 Headings: The titles in this Plan are inserted for the convenience of reference; they constitute no part of this Plan and are not to be considered in the construction hereof.

12.14 Gender and Number: Unless otherwise indicated, the masculine pronoun as used herein shall include the feminine pronoun, and the singular shall include the plural and vice versa.

12.15 Governing Law: The Plan and all provisions thereof shall be governed by the laws of the State of Georgia, to the extent not preempted by ERISA.

## SECTION THIRTEEN

### CERTAIN SEPARATE ACCOUNTS FOR KEY EMPLOYEES

13.01 Separate Accounts: Notwithstanding any provision in this Plan to the contrary, a Participant who is or was, at any time during the Plan Year or preceding Plan Year, a Key Employee and who is entitled to receive a Post-Retirement Death Benefit (as defined in Section 13.03), shall receive such Post-Retirement Death Benefit through a separate account established for such Participant as part of the Benefit Fund in accordance with this Section Thirteen. The cost of providing the Post-Retirement Death Benefit shall be charged against the separate account and all Post-Retirement Death Benefits shall be paid from such separate account.

13.02 Compliance with Code: Separate accounts shall be established for individual Participants in accordance with this Section Thirteen solely for the purpose of complying with Sections 419A(d) and 4976 of the Code.

13.03 Post-Retirement Death Benefits: For the purposes of this Section, a Post-Retirement Death Benefit shall mean any benefit described in Section 5.01 of the Plan and to which the Beneficiary of a Participant is entitled under the terms of this Plan as a result of the death of the Participant after the Participant's retirement. Under no circumstances shall the provisions of this Section be deemed to provide benefits or rights which are more expansive or greater than those benefits and rights stated elsewhere in this Plan.

13.04 Key Employees: For purposes of this Section, a Key Employee shall mean any Employee of the Company who, during the Plan Year or any of the four preceding Plan Years, is an officer of the Company having Earnings greater than 150% of the limit described in Code Section 415(c)(1)(A); one of the ten Employees of the Company owning the largest interests in the Company and receiving Earnings greater than the dollar limit described in Code Section 415(c)(1)(A); a greater than 5% owner of the Company; a greater than 1% owner of the Company receiving Earnings in excess of \$150,000; or the Beneficiary of a Key Employee. The Code Section 415(c)(1)(A) limits referred to in the preceding sentence shall be the specified dollar limit plus any increases reflecting cost of living adjustments specified by the Secretary of the Treasury.

13.05 Exception to Separate Account Requirement: Notwithstanding the above, the Administrative Committee, pursuant to Temporary Treasury Regulation § 54.9976-1T., shall not be required to establish or maintain separate accounts for Key Employees if (1) the cost of the Post-Retirement Death Benefit is paid by the Company in the same taxable year in which the benefit is provided and (2) there is not nor is there required to be maintained an existing separate account with an outstanding credit balance for the Key Employee. Furthermore, should any future Treasury Regulation allow the Company to avoid providing Post-Retirement Death Benefit to Key Employees through separate accounts, such provisions will be deemed incorporated in this Plan upon approval by the Administrative Committee.



IN WITNESS WHEREOF, the undersigned officer of DELTA AIR LINES, INC. has executed this amendment and restatement of the Plan on the date indicated below, but effective January 1, 2011.

DELTA AIR LINES, INC.

By:

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Title:

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Date:

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## **APPENDIX A**

### **NEUTRAL DOCTOR PROCESS**

1. The Plan Administrator of the Delta Pilots Disability and Survivorship Plan (D&S Plan) may use the following process to review the medical records and/or direct a medical review of a Participant who is receiving Long-Term Disability Benefits under the D&S Plan if the Plan Administrator has a good faith belief that he may not qualify for disability benefits under the terms of the D&S Plan. In this case, the Plan Administrator may not direct the medical review more than once per year.
2. If a Participant has been determined by his AME not eligible to exercise the privileges of his First Class Medical Certificate, the Plan Administrator may review the participant's medical records.
3. A Participant undergoing such medical review will give the Plan Administrator access to all medical records requested by it.
4. The Plan Administrator may require medical evaluation of the Participant.
5. The Plan Administrator and the ALPA Aeromedical Advisor will confer on the choice of medical evaluator prior to sending the Participant for evaluation if the Participant releases the pertinent information to the ALPA Aeromedical Advisor.
6. The Plan Administrator will select a Plan medical examiner (PMX).
7. Medical information provided by the Plan Administrator to the PMX will be limited to medically relevant information provided by doctors and treating facilities.

8. The Participant, the Plan Administrator and the PMX will complete the evaluation and any case review process as expeditiously as possible.

9. The PMX will be instructed to provide the Participant with written notice of his determination.

10. If the PMX determines that the Participant is eligible to exercise the privileges of his First Class Medical Certificate, the Participant may initiate further review as provided in paragraph 10 a. If the Participant does not initiate further review within 30 days of receipt of the written determination, in the manner provided in paragraph 10 a., then his disability benefits will terminate effective 30 days after the pilot's receipt of the PMX's determination. Such Participant will be determined to not be eligible for disability benefits.

a. Within 30 days of the Participant's receipt of the PMX's written determination, the Participant may request a review by choosing a qualified medical examiner (PME) to conduct a medical evaluation for the same purpose as the medical evaluation made by the PMX.

b. Employment of the PME will be at the Participant's expense. However, if the Neutral Medical Examiner (NME) later determines that the Participant is not eligible to exercise the privileges of his First Class Medical Certificate, or if the FAA declines to issue a First Class Medical Certificate to the Participant after the Participant's appeal to the FAA, the Participant will, upon presentation to the Plan Administrator of an itemized bill from the PME, be reimbursed for such expense.

c. A copy of the PME's findings will be furnished to the Plan Administrator.

1) If the PME concurs with the PMX that the Participant is eligible to exercise the privileges of his First Class Medical Certificate, there will be

no further review and the Participant will be determined to not be eligible for Long-Term Disability Benefits by the Plan Administrator, effective on the date of the PME's determination. Such a Participant must apply to the FAA for a First Class Medical Certificate as soon as possible, but no later than ten days from the date of receipt of the PME's determination. While such application is pending (including any appeal), he will continue to receive such disability benefits. If the AME or the FAA declines to issue a First Class Medical Certificate to such Participant, he must appeal such decision. If the FAA declines to issue him a First Class Medical Certificate following his appeal, he will continue to receive disability benefits. Note: Such Plan Participant should present his First Class Medical Certificate to his Chief Pilot immediately upon obtaining such certificate as specified in Section 15 C. of the PWA, at which time his disability benefits will cease.

2) If the PME does not concur with the PMX, the Participant may initiate further review by making a written request to the Plan Administrator within 30 days of receipt of the PME's determination. The review will consist of a medical evaluation performed by the NME, preferably a specialist. The NME will be selected by mutual agreement between the PMX and the PME. If the Participant does not initiate this further review, the participant will be determined to not be eligible for disability benefits and such benefits will terminate 30 days after the Participant's receipt of the PME's determination.

- d. The NME will issue a determination whether the Participant is eligible to exercise the privileges of his First Class Medical Certificate. Copies of the NME's determination will be furnished to the Plan Administrator and the Participant.

1) If the NME determines that the Participant is eligible to exercise the privileges of his First Class Medical Certificate, the Participant must apply for a First Class Medical Certificate with an AME of the NME's choosing, as soon as possible, but no later than 30 days from the date of the Participant's receipt of the NME's determination. While the Participant's application is pending, he will continue to receive disability benefits. If the AME or the FAA declines to issue a First Class Medical Certificate to such Participant, he must appeal such decision, during which period he will continue to receive disability benefits. If the FAA issues him a First Class Medical Certificate, he must present such certificate to his Chief Pilot, as specified in Section 15 C. of the PWA. If the FAA declines to issue him a First Class Medical Certificate following his appeal, he will continue to receive disability benefits.

2) If the NME determines that the Participant is eligible to exercise the privileges of his First Class Medical Certificate, the expense of employing the NME will be shared equally by the Participant and the Plan unless the FAA declines to issue a First Class Medical Certificate, in which case the expense of employing the NME will be borne by the Plan. The FAA's determination will be final and binding on the Plan Administrator and the Participant.

3) If the NME determines that the Participant is not eligible to exercise the privileges of his First Class Medical Certificate, the Participant will be determined to be eligible for Long-Term Disability Benefits by the Plan Administrator. The expense of employing the NME will be borne entirely by the Plan. The NME's determination will be final and binding on the Plan Administrator and the Participant.

11. The medical review process set forth herein is the exclusive procedure for the Plan Administrator to determine whether a Participant is eligible to exercise the privileges of his First Class Medical Certificate, and the decision made in accordance with this process is final and binding on both the Plan Administrator and the Participant.

**APPENDIX B**

**NORTHWEST AIRLINES  
LTD PLAN FOR PILOT EMPLOYEES  
(2011 Statement)**

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**NORTHWEST AIRLINES  
LTD PLAN FOR PILOT EMPLOYEES  
(2011 Statement)**

**SECTION 1**

**INTRODUCTION**

1.1. **General.** This employee welfare benefit plan is established as of the Effective Date, for the purpose of providing certain income replacement benefits to those Pilots who are Disabled under the provisions of this Plan Statement.

1.2. **Definitions.** As used herein, the following terms shall have the following meanings:

1.2.1. **Association** — the Air Line Pilots Association, International.

1.2.2. **Benefit Service** — a measure of a Participant's service with the Employer in Recognized Employment stated as a number of years and fractions of years determined as follows.

(a) **General Rule.** For Recognized Employment prior to the Effective Date, each Participant's Benefit Service under this Plan shall be equal to the benefit service the Participant had under the Pension Plan immediately prior that date. Subsequent to that date, Benefit Service shall be stated in years and months and shall be equal to a Participant's Months of Service, disregarding, however, for this purpose all Hours of Service credited for employment other than in Recognized Employment. Twelve (12) months of Benefit Service shall equal one (1) year of Benefit Service.

(b) **Trainee Service.** Service performed for the Employer before becoming a Pilot while in active training to become a Pilot shall be deemed to be Recognized Employment.

1.2.3. **Code** — the Internal Revenue Code of 1986, including applicable regulations for the specified section of the Code. Any reference in this Plan Statement to a section of the Code, including the applicable regulation, shall be considered also to mean and refer to any subsequent amendment or replacement of that section or regulation.

1.2.4. **CBAID** — the "collective bargaining agreement implementation date" as that term is defined in the JCBA, i.e., October 30, 2008.

1.2.5. **Disability** — a medically determinable physical or mental condition which renders the Participant incapable of continuing in the service of the Employer as an airline Pilot, provided, however, that no such condition shall constitute a Disability where the Disability:

- (a) resulted from or consists of habitual use of alcoholic beverages or addiction to narcotics, or
- (b) was contracted, suffered, or resulted from an intentionally self-inflicted injury, or
- (c) was incurred while engaged in any flying activity producing remuneration for other than the Employer (provided, however, that a Disability incurred by a Participant who is engaged in flying activity for the armed services of the United States, or any of its States, shall not fail to constitute a Disability because that flying produces remuneration for other than the Employer).

In determining whether a Participant is Disabled, consideration shall be given to the report or reports of all physicians who have examined such Participant with respect to such Disability and such report or reports shall be made available by the Participant for this purpose.

1.2.6. **Earnings** — the total remuneration paid to the Participant by the Employer for services in Recognized Employment reportable on Treasury Form W 2 (or any comparable successor form) as subject to federal income tax for the applicable period; subject, however, to the following:

- (a) **Excluded Items.** In determining a Participant's Earnings there shall be excluded: (i) all meal allowances, room and board allowances, laundry allowances, expense reimbursements, moving expense payments and all other similar payments, and (ii) all noncash remuneration, and (iii) third party incapacity pay (including short and long-term disability insurance benefits), and (iv) all deferred compensation (both when deferred and when paid) except as provided in (b) below, and (v) income imputed from insurance coverages and premiums, travel privileges or employee discounts and other similar amounts, and (vi) the value of stock options and stock appreciation rights (whether or not exercised) and other similar amounts, and (vii) all foreign service bonuses, station allowances, foreign tax equalization payments and other similar payments, and (viii) payments for vacation or sick leave accrued but not used, and (ix) final payments on account of termination of employment (i.e., severance payments) and final settlement for accrued but unused vacation and sick leave (other than bank time), and (x) such amount as may have been or may be hereinafter agreed upon from time to time between the Employer and the Association as excludable for the purposes of determining benefits under this Plan.

- (b) **Included Items.** Earnings shall be determined before any reductions in pay authorized by the Participant under a cafeteria plan under section 125 of the Code or a qualified cash or deferred arrangement under section 401(k) of the Code. Earnings shall be determined as if any uniform Employer contributions under Section 3.3 of Northwest Airlines Retirement Savings Plan for Pilot Employees were paid to the Pilot (rather than contributed to this Plan). Earnings shall include all jury duty monies, workers' compensation monies and any other similar monies that are paid to the Participant from any entity other than the Employer and for which the Employer has reduced the Participant's Earnings in the same amount as such duplicate payment.
- (c) **Income from Foreign Sources, Guam, Puerto Rico, etc.** Without regard to whether it is or is not reportable on Form W-2 or a comparable successor form and subject to other limitations and rules of this Section, (i) Earnings shall include foreign earned income as defined in section 911(b) of the Code whether or not excludable from gross income under section 911 of the Code, and (ii) Earnings shall be determined without regard to the exclusions from gross income in section 931 and section 933 of the Code.
- (d) **Pre-Participation Employment.** Remuneration paid by the Employer for services in Recognized Employment attributable to periods prior to the date the Participant became a Participant in the Plan shall be taken into account in determining the Participant's Earnings.
- (e) **Non-Recognized Employment.** Remuneration paid by the Employer for employment that is not Recognized Employment shall not be taken into account in determining a Participant's Earnings.
- (f) **Attribution to Periods.** A Participant's Earnings shall be considered attributable to the period in which it is actually paid and not when earned or accrued.

1.2.7. **Effective Date.** The first day of the first calendar month following the calendar month in which the "Accrual Cessation Date," as defined in the Twenty-Seventh Amendment to the Pension Plan, occurs.

1.2.8. **Eligibility Service** — a measure of an employee's service with the Employer and all Affiliates (stated as a number of years) determined under the following rules:

- (a) **General Rule.** A year of Eligibility Service shall be credited for a computation period if the employee is credited with six (6) or more Months of Service during such computation period. A year of Eligibility Service shall be deemed completed under this rule only as of the last day

of the computation period (irrespective of the date during the computation period that the employee completes six Months of Service).

- (b) **Special Rule.** A year of Eligibility Service shall be credited when the employee is credited with twelve (12) or more Months of Service (determined without regard to computation periods). A year of Eligibility Service shall be deemed completed under this rule only as of the last day of the calendar month in which the employee is credited with the twelfth Month of Service.
- (c) **Computation Periods.** The computation periods for determining Eligibility Service are the twelve (12) consecutive month period beginning with the date the employee first performs an Hour of Service and all calendar years beginning after that date (irrespective of any termination of employment and subsequent reemployment).

1.2.9. **Employer** — NORTHWEST AIRLINES, INC., a Minnesota corporation, and its successor or successors in interest (whether by operation of law or by express assumption of this Plan).

1.2.10. **ERISA** — the Employee Retirement Income Security Act of 1974, including applicable regulations for the specified section of ERISA. Any reference in this Plan Statement to a section of ERISA, including the applicable regulation, shall be considered also to mean and refer to any subsequent amendment or replacement of that section or regulation.

1.2.11. **Hours of Service** — a measure of an employee's service with the Employer and all Affiliates, determined for a given computation period and equal to the number of hours credited to the employee according to the following rules:

- (a) **Paid Duty.** An Hour of Service shall be credited for each hour for which the employee is paid, or entitled to payment, for the performance of duties for the Employer or an Affiliate. These Hours of Service shall be credited to the employee for the computation period or periods in which the duties are performed.
- (b) **Paid Nonduty.** An Hour of Service shall be credited for each hour for which the employee is paid, or entitled to payment, by the Employer or an Affiliate on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence; provided, however, that:
  - (i) no Hours of Service shall be credited on account of payments made under a plan maintained solely for the purpose of complying

with applicable workers' compensation, unemployment compensation or disability insurance laws;

- (ii) no Hours of Service shall be credited on account of payments which solely reimburse the employee for medical or medically related expenses incurred by the employee; and
- (iii) payments shall be deemed made by or due from the Employer or an Affiliate whether made directly or indirectly from a trust fund or an insurer to which the Employer or an Affiliate contributes or pays premiums.

These Hours of Service shall be credited to the employee for the computation period for which payment is made or, if the payment is not computed by reference to units of time, these Hours of Service shall be credited to the first computation period in which the event for which any part of the payment is made occurred.

- (c) **Back Pay.** An Hour of Service shall be credited for each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Employer or an Affiliate. The same Hours of Service credited under paragraph (a) or (b) shall not be credited under this paragraph (c). The crediting of Hours of Service under this paragraph (c) for periods and payments described in paragraph (b) shall be subject to all the limitations of that paragraph. These Hours of Service shall be credited to the employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.
- (d) **Military Leaves.** During service in the Armed Forces of the United States if the employee both entered such service and returned to employment with the Employer or an Affiliate from such service under circumstances entitling him or her to reemployment rights granted veterans under federal law, the employee shall be credited with the number of Hours of Service which otherwise would normally have been credited to such employee but for such absence; provided, however, that if the employee does not return to employment for any reason other than death, Disability or attainment of Normal Retirement Date within the time prescribed by law for the retention of veteran's reemployment rights, such Hours of Service shall not be credited.

1.2.12. **JCBA** — the Joint Collective Bargaining Agreement ratified among Delta Air Lines, Inc., Delta Air Lines Master Executive Council, Northwest Airlines Master Executive Council, and the Air Line Pilots Association, International on August 11, 2008.

1.2.13. **LTD Benefit** — the income replacement benefit payable to a Participant pursuant to Section 3.

1.2.14. **LTD Board** — the board appointed pursuant to Section 4.

1.2.15. **LTD Date** — the last day of the calendar month in which occurs the exhaustion of Employer-paid vacation and sick leave benefits.

1.2.16. **Month of Service** — a measure of an employee's service with the Employer and all Affiliates (stated as a number of months) which is equal to the number of calendar months for which the employee is credited with at least one (1) Hour of Service. No more than one (1) Month of Service may be credited to an employee for a calendar month.

1.2.17. **Normal Retirement Date** — the date the Participant would attain age sixty (60) years.

1.2.18. **Participant** — an employee of the Employer who becomes a Participant in the Plan in accordance with the provisions of Section 2. An employee who has become a Participant shall be considered to continue as a Participant in the Plan until the earliest of the following: (i) the Participant's death, or (ii) if the Participant is entitled to an LTD Benefit, the date following Termination of Employment when the LTD Benefit is no longer payable and the Participant is ineligible or fails to return to active employment with the Employer, or (iii) if the Participant is not entitled to an LTD Benefit after Termination of Employment, the date of Termination of Employment.

1.2.19. **Pension Plan** — the Northwest Airlines Pension Plan for Pilot Employees.

1.2.20. **Pilot** — each Pilot listed on the Employer's Pilots' System Seniority List whose Earnings with the Employer are predicated on his or her earning capacity as a Pilot.

1.2.21. **Plan** — the employee welfare benefit plan of the Employer established for the benefit of employees eligible to participate therein, as set forth in this Plan Statement. (As used herein, "Plan" refers to the legal entity established by the Employer and not to the documents pursuant to which the Plan is maintained. Those documents are referred to herein as the "Plan Statement.") The Plan shall be referred to as the "NORTHWEST AIRLINES LTD PLAN FOR PILOT EMPLOYEES."

1.2.22. **Plan Year** — the twelve (12) consecutive month period ending on each December 31.

1.2.23. **Recognized Employment** — employment with the Employer as a Pilot or employment for another employer at the request of the Employer as a Pilot subject, however, to the following rules.

- (a) If an employee in Recognized Employment enters the Armed Forces of the United States and returns therefrom to Recognized Employment without intervening employment and within the time and under the circumstances prescribed by federal law for the retention of veteran's reemployment rights, such service in the Armed Forces of the United States shall be deemed to be the equivalent, for all purposes of this Plan, of full-time active service in Recognized Employment.
- (b) To the extent that the Association reimburses the Employer in full for compensation, periods of leave of absence granted by the Employer for the purpose of engaging in Association business shall be deemed to be the equivalent for all purposes of this Plan (including the computation of Earnings) of full-time active service in Recognized Employment.
- (c) Recognized Employment shall not include services rendered by a person not a common law employee of the Employer including, without limiting the generality of the foregoing, services of a leased employee, leased owner, leased manager, shared employee, shared leased employee or similar classification. Recognized Employment shall not include employment by an officer to the extent that his or her employment agreement (whether or not written) provides that he or she is excluded from participation in the Plan.

1.2.24. **Termination of Employment** — a complete severance of an employee's employment relationship with the Employer and all Affiliates, if any, for any reason other than the employee's death; provided, however, that nothing in this Plan Statement shall be deemed to waive or diminish the retention of seniority by a disabled pilot pursuant to section 22.D.3 of the collective bargaining agreement between the Employer and the Association. A transfer from employment with the Employer to employment with an Affiliate of the Employer shall not constitute a Termination of Employment.

1.2.25. **Trust Agreement** — a separate document entitled "Trust Agreement for the Northwest Airlines LTD Plan for Pilot Employees entered into by and between the Employer and the Trustee pursuant to Section 5.3, as the same may be amended from time to time thereafter. This Trust Agreement was terminated effective January 1, 2010 and the Delta Pilots Disability and Survivorship Trust was amended to include this Plan.

1.2.26. **Trust Fund** — the Trust Fund established under this Plan Statement for the exclusive purposes of payment of the reasonable expenses of the Plan and for the purposes of providing and maintaining (either directly or, if the Employer and the Association agree, through the purchase of insurance, or both) those long-term disability benefits as may be specified in the Plan. The Trust Fund shall be the Delta Pilots Disability and Survivorship Trust effective January 1, 2010.

1.2.27. **Trustee** — the Trustee or Trustees selected by the Employer for the development of benefits provided by this Plan.



1.2.28. **Workers' Compensation Benefits** — any periodic benefits payable to a Participant: (i) as compensation for a personal injury (including any occupational disease) arising out of and in the course of employment for the Employer, and (ii) with respect to a period of time for which the Participant is entitled to a LTD Benefit, and (iii) in accordance with a statute such as a workers' compensation or similar law (whether applicable by its own terms or by reason of an agreement between the Employer and the Association), and (iv) as compensation for lost income or earnings (rather than as compensation for the loss of the function or use of a bodily member or other bodily function). However, as to any Participant whose Termination of Employment is occasioned by a Disability which entitles the Participant to receive social security disability insurance benefits for total and permanent disability, Workers' Compensation Benefits shall be fifty percent (50%) of the periodic benefits amount set forth above. The amount of the Workers' Compensation Benefits payable to the Participant shall be determined and redetermined from time to time to take into account the commencement, discontinuance, increase or decrease of such benefits.

1.3. **Rules of Interpretation.**

- (a) An individual shall be considered to have attained a given age on the individual's birthday for that age (and not on the day before). The birthday of any individual born on a February 29 shall be deemed to be February 28 in any year that is not a leap year.
- (b) Whenever appropriate, words used herein in the singular may be read in the plural, or words used herein in the plural may be read in the singular; the masculine may include the feminine; and the words "hereof," "herein" or "hereunder" or other similar compounds of the word "here" shall mean and refer to this entire Plan Statement and not to any particular paragraph or Section of this Plan Statement unless the context clearly indicates to the contrary.
- (c) The titles given to the various Sections of this Plan Statement are inserted for convenience of reference only and are not part of this Plan Statement, and they shall not be considered in determining the purpose, meaning or intent of any provision hereof. Any reference in this Plan Statement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation.
- (d) This document has been executed and delivered in the State of Minnesota and has been drawn in conformity to the laws of that State and shall, except to the extent that federal law is controlling, be construed and enforced in accordance with the laws of the State of Minnesota.
- (e) This Plan is intended to provide a continuation of, and replacement for, the disability benefits which, prior to December 16, 2005, was provided through the Pension Plan. Except where the contrary is expressly stated or clearly required by the context, the provisions of this Plan shall be

interpreted and applied in the same manner as the corresponding provisions of the Pension Plan were interpreted and applied prior to December 16, 2005.

## SECTION 2

### PARTICIPATION IN THE PLAN

2.1. **Initial Entry Under Plan.** Upon the Effective Date, each employee who was employed in Recognized Employment on December 16, 2005 and has completed one (1) year of Eligibility Service shall automatically be deemed a Participant. On and after the Effective Date, each employee shall become a Participant on the date:

- (a) that such employee is employed in Recognized Employment; and
- (b) that is also not earlier than the first day of the calendar month which first occurs after the employee has completed one (1) year of Eligibility Service.

Notwithstanding anything to the contrary provided herein, an employee who is identified as an “existing disabled pilot” or a “potential existing disabled pilot” pursuant to the agreement between the Employer and the Association dated December 15, 2005, shall not be a Participant in this Plan; provided, however, that any employee who is identified as an “existing disabled pilot” or “potential disabled pilot” as of said date who thereafter returns to Recognized Employment, shall automatically become a Participant as of the date he or she returns to active employment.

2.2. **Termination and Reemployment.** If an individual who was a Participant but ceased to be a Participant after a Termination of Employment is subsequently reemployed by the Employer, that individual shall immediately reenter the Plan as a Participant upon such return to employment with the Employer.

2.3. **Participants Must Furnish Data to Employer.** Each Participant in this Plan shall be obligated to furnish the Administrative Committee such data and information, including satisfactory proof of age, and to complete such forms as the Administrative Committee may consider desirable or necessary for the effective administration of this Plan. Notwithstanding anything to the contrary provided herein, no LTD Benefit shall be payable under this Plan unless the Participant complies with these requirements but the right of a Participant to an LTD Benefit shall be fully preserved upon subsequent compliance with these requirements.

2.4. **Effect of Misstatements by Participant.** If any Participant in any written statement required under Section 2.3 shall misstate any fact the misstatement of which would affect the amount of an LTD Benefit payable hereunder, the LTD Benefits with respect of such Participant shall not be invalidated, but upon discovery of such misstatement the amount of the LTD Benefit to be available to such Participant will be adjusted retroactively to the amount which would have been payable if such fact or facts had not been misstated.

2.5. **Dismissal of Employees.** Participation in this Plan or eligibility for participation in it shall not give any employee the right to be retained in the Employer's employment nor, upon dismissal or severance of employment, to have any right or interest under this Plan or the fund other than is herein provided.

## SECTION 3

### LONG-TERM DISABILITY BENEFITS

#### 3.1. LTD Benefit.

3.1.1. **When Available.** Upon the Termination of Employment of a Participant occasioned by the Participant's Disability and upon the filing of a proper application with the Administrative Committee, the Participant shall receive, and the Administrative Committee shall guarantee and provide, an LTD Benefit. Notwithstanding the foregoing, a Participant shall not be entitled to benefits under this Plan unless either the Participant's claim for benefits has been approved by CBAID or the Participant is specifically identified as eligible under section 2.09 (b) or (c) or section 4.03(e) of the Delta Pilots Disability and Survivorship Plan.

3.1.2. **Amount.** The monthly amount of the Participant's LTD Benefit payments shall be such that together with Workers' Compensation Benefits it will equal:

- (a) If the Participant is entitled to the social security disability insurance benefit, an amount equal to "(i)" multiplied by "(ii):"
  - (i) Fifty percent (50%) of the Participant's highest average monthly Earnings paid during any twelve (12) calendar months included within the sixty (60) consecutive calendar months preceding the LTD Date.
  - (ii) A fraction not greater than one (1), the numerator of which is the Participant's years of Benefit Service (deeming for this purpose, the period after the LTD Date and before the Normal Retirement Date to be Benefit Service) and the denominator of which is twenty-five (25).
- (b) If the Participant is not entitled to receive social security disability insurance benefits by reason of his or her Disability, during the first sixty (60) months that the LTD Benefit is payable the amount of the LTD Benefit shall be the amount determined in "(a)." Thereafter, until LTD Benefit terminates, the Participant shall receive the amount determined under such formula multiplied by the percentage determined from the following table based on attained age at the LTD Date or completed years of Benefit Service at LTD Date, whichever produces the greater percentage:

Attained Age at LTD Date, or	Completed Years of Benefit Service at LTD Date	Percentage
45	15	100%
44	14	96%
43	13	92%
42	12	88%
41	11	84%
40	10	80%
39	9	76%
38	8	72%
37	7	68%
36	6	64%
35	5	60%
34	4	56%
33	3	52%
32	2	48%
31	1	44%
Less than 31	Less than 1	0%

- (c) Straight line interpolation shall be used for fractional years of Benefit Service and age.
- (d) If a Participant in receipt of both an LTD Benefit and social security disability insurance benefit ceases to be entitled to the social security disability insurance benefit, the Participant's monthly LTD Benefit payments thereafter shall be those, if any, to which the Participant would be then entitled if he or she had at no time been eligible for the social security disability insurance benefit.
- (e) The amount of the LTD Benefit payable on the first day of a calendar month shall be offset (but not to the extent that the LTD Benefit would be reduced to less than zero) by the amount of the pension benefit actually paid to the Participant under the Pension Plan as of the last day of the prior calendar month.
- (f) The maximum monthly LTD Benefit payable to any Participant shall be Eight Thousand Two Hundred Fifty Dollars (\$8,250) reduced by the Workers' Compensation Benefit, if any, and the offset for benefits under the Pension Plan, if any, as hereinbefore provided.

3.1.3. **Commencement of LTD Benefit.** The LTD Benefit is a benefit payable monthly, the first such payment to be due on the first day of the second calendar month

following the calendar month in which the LTD Date occurs or, if later, on the first day of the second calendar month following the calendar month in which the Administrative Committee receives a substantially completed application. For example, in the case of a Participant whose LTD Date is January 31, 2010 and who has submitted a substantially completed application, the first LTD Benefit payment is due on March 1, 2010.

3.1.4. **Termination of LTD Benefit.** The payment of the LTD Benefit shall terminate in accordance with the following rules.

- (a) The last payment of the LTD Benefit shall be due on the later of the following:
  - (i) The first day of the calendar month following the calendar month that includes the date the Participant attains age sixty-five (65) years or,
  - (ii) The date that the Participant has received sixty (60) monthly payments.
- (b) If earlier, the last payment of the LTD Benefit shall be due on the first day of the calendar month following the calendar month in which the Participant recovers from Disability. If the Participant recovers from Disability and returns to active payroll status, such final payment of the LTD Benefit will be a prorated monthly payment, based on the number of days of Disability prior to return to active payroll status.
- (c) If earlier, the last payment of the LTD Benefit shall be due on the first day of the calendar month following the calendar month in which the Participant dies. Such final payment will be a prorated monthly payment based on the number of days of Disability through the date the Participant dies.

3.1.5. **Evidence of Continuing Disability.** The LTD Board shall have the right to require proof of the continuance of Disability at any time and from time to time during the first seven (7) years from the LTD Date but no more frequently than once each twelve (12) months. In the event the duration of such Disability exceeds a period of seven (7) consecutive years, such Disability shall be presumed to be permanent, except in the event such Participant thereafter returns to active line flying, in which event such presumption shall be inoperative. No request for continuing proof shall be made earlier than twelve (12) months after the later of the Participant's LTD Date or the date the Participant's claim for benefits is approved. However, if the probable duration of the Disability as indicated by the medical and other information received in connection with the claim would end before such time, the request for continuing proof may be made at the end of that probable duration.

3.2. **Nonduplication.** This Plan shall be construed and administered to prevent the duplication of benefits under this Plan, the Disability Retirement Pension provisions

of the Northwest Airlines Pension Plan for Pilot Employees and the Delta Pilots Disability and Survivorship Plan provisions of this Plan. Therefore, individuals entitled to a Disability Retirement Pension under the Northwest Airlines Pension Plan for Pilot Employees or the Delta Pilots Disability and Survivorship Plan shall not be entitled to an LTD Benefit under this Plan.

3.3. **Spendthrift Provisions.** Except only as provided in this Plan Statement, no Participant shall have any transmissible interest in an LTD Benefit and shall have no power to alienate, dispose of, pledge or encumber the same except when, and only as to, the portion or portions thereof received by the Participant, nor shall the Employer or any other person recognize any assignment thereof.

3.4. **U.S. Money.** All payments hereunder shall be in lawful money of the United States of America.

3.5. **Payments to Incompetent Persons.** If any person entitled to receive any payment under this Plan is incompetent or under any other legal disability that prevents payment to that person, payment shall be made if the Administrative Committee has been advised of the existence of such condition:

- (a) to the duly appointed guardian, conservator or other legal representative of such incompetent or disabled person (excluding an attorney in fact acting under power of attorney); or
- (b) to a person or institution entrusted with the care or maintenance of such incompetent or disabled person, provided such person or institution has satisfied the Administrative Committee that the payment will be used for the best interest and assist in the care of such incompetent or disabled person, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such incompetent or disabled person (excluding an attorney in fact acting under power of attorney).



## SECTION 4

### ADMINISTRATION OF PLAN

4.1. **Administration by the Administrative Committee.** The general administration of the Plan and the responsibility for carrying out the provisions thereof, except as otherwise reserved or delegated to others, shall be the responsibility of the Administrative Committee of Delta Air Lines, Inc. (the "Administrative Committee") The Administrative Committee shall be the administrator of this Plan for purposes of section 3(16)(A) of ERISA. In the exercise of the powers granted to the Administrative Committee, the Administrative Committee has discretionary authority to grant or deny benefits under this Plan and benefits under this Plan will be paid only if the Administrative Committee decides in its discretion that the applicant is entitled to them. In the exercise of the powers granted to the Administrative Committee, and subject to Section 4.3 of the Plan Statement, the Administrative Committee shall have the discretion, authority and responsibility to interpret and construe the Plan Statement and to determine all factual and legal questions under the Plan, including but not limited to the entitlement of employees and Participants and alternate payees to benefits and the amounts of their benefits, the determination whether a domestic relations order is a qualified domestic relations order and the interpretation and administration of a qualified domestic relations order.

4.2. **LTD Board.** There shall be an LTD Board of four Members, each of whom shall be an employee or officer of the Employer. Two of the Members shall be known as "Employer Members" and two as "Employee Members." The two Employer Members and an alternate Employer Member shall be appointed by the Employer. The two Employee Members and an alternate Employee Member shall be appointed by the Association, and each shall be a Pilot. Each person appointed as a Member or alternate Member of the LTD Board shall signify their acceptance of the office by filing a written acceptance with the Employer and the LTD Board. Any Member or alternate Member of the LTD Board may resign by notice in writing filed with the Secretary of the LTD Board. An Employer Member or alternate Employer Member may be removed by the Employer and an Employee Member or alternate Employee Member may be removed by the Association. Upon the death or the Termination of Employment from the Employer of a Member or alternate Member, he or she shall cease, without further action, to be a Member of the LTD Board. A vacancy in the Employer membership of the LTD Board shall be filled by the Employer and a vacancy in the Employee membership of the LTD Board shall be filled by the Association. Any action required or permitted to be taken under this Section by the Employer shall be conclusively evidenced by a certificate of any principal officer of the Employer filed with the Association and with the LTD Board. Any action required or permitted to be taken under this section by the Association shall be conclusively evidenced by a certificate of any principal officer of the Association filed with the Employer and with the LTD Board.

4.3. **Powers of LTD Board.** The LTD Board shall make a periodic review of the status of the Plan, including but not limited to the expenses, funding practices and procedure, investment policies and performance, reserves and administration of the Plan, the Trust Fund and the Trust. Further, the LTD Board shall hear all disputes arising out of the application and interpretation of the Plan which are properly submitted to it in accordance with Section 4.5 and

4.6 of the Plan Statement, shall determine the existence or cessation of Disability, and the occurrence and date of a Participant's death. It is intended that the LTD Board shall have the same authority, and shall exercise the same functions with respect to this Plan as the Retirement Board had and exercised under the Pension Plan with respect to disability benefits prior to the Effective Date. The LTD Board may, with the consent of the Employer Members and of the Employee Members, either of which consent may be unreasonably withheld or withdrawn, delegate the authority initially to determine the existence or cessation of Disability and/or the occurrence and date of a Participant's death to a contract administrator appointed pursuant to Section 4.8 below. Any such delegation shall be subject to the LTD Board's duty and authority to hear appeals and resolve disputes pursuant to Sections 4.5 and 4.6 below.

4.4. **Organization and Action of the LTD Board.** The LTD Board shall elect a Chairman who shall be one of the Members of the LTD Board and shall elect a Secretary who may but need not be one of the Members of the LTD Board. The LTD Board shall hold such meetings upon such notice at such place or places and at such time or times as they may from time to time determine. In addition, the Board shall meet within thirty (30) days after written request for a meeting by any two members of the LTD Board. The alternate Members shall be entitled to notice of and shall have the right to attend all meetings of the LTD Board. Each member of the LTD Board present at any meeting shall have one vote on all matters considered by the Board at such meeting, but the Employer's alternate Member and the Association's alternate Member present at any meeting of the LTD Board shall have a vote only in the absence of one or more of the regular Members appointed by the same organization which has appointed such Alternate Member. Decisions of the LTD Board shall be by vote of at least three (3) Members present at any meeting and entitled to vote thereat. Action by the LTD Board may be taken without a formal meeting by the written authorization of all the regular Members thereof. The LTD Board shall keep minutes of its meetings and shall maintain such records as it needs for discharging its responsibilities under the Plan. All such minutes and records shall be available for inspection at all reasonable times by the Employer and the Association.

4.5. **Resolution of Disputes.**

(a) Any Participant in this Plan who claims to be aggrieved by an application and interpretation of this Plan shall be afforded a hearing on such dispute before the LTD Board providing:

- (i) that such Participant personally serves written notice by mail of a request for hearing on the Secretary of the LTD Board;
- (ii) that such notice is so served within one hundred twenty (120) days from the earliest date such Participant first had or reasonably should have had knowledge of the existence of the dispute; and
- (iii) that such notice contains a complete and specific statement of (1) the facts giving rise to the dispute; (2) the issues to be considered by the LTD Board; and (3) the relief requested.

- (b) Upon receipt of a proper and timely notice of request for hearing, the LTD Board shall promptly convene in a special session to hear the dispute.
- (c) Notice of the time and place of hearing shall be served by mail on the affected Participant in this Plan.
- (d) The parties may present testimony, exhibits, and may examine and cross-examine witnesses. The LTD Board shall rule upon the admissibility of evidence to the end that a fair, prompt and orderly hearing of the dispute is afforded.
- (e) The Employer, the Association and any affected Participant in this Plan may be represented before the LTD Board by an attorney or other designated representative.
- (f) The Employer will assume the compensation and all expenses of its LTD Board Members and any witnesses presented by it. The Association will assume the compensation and all expenses of its LTD Board Members and any witnesses presented by it.
- (g) The LTD Board shall maintain a complete record of all matters submitted to it for hearing and of all findings and decisions issued by it.
- (h) Subsequent to the hearing, the LTD Board shall issue a notice, to be served by mail, upon the affected Participant in this Plan stating:
  - (i) that the dispute has been resolved by a majority vote of the Board and explaining the resolution thereof; or
  - (ii) that the LTD Board has failed to resolve the dispute and has deadlocked.
- (i) All notices in writing shall be served by use of certified mail, return receipt requested.
- (j) Resolution of the dispute by the LTD Board shall be final and binding upon the Employer, the affected Participant in this Plan and any other person or entity having any claim under this Plan.

#### 4.6. **Breaking of Deadlocks.**

- (a) When a deadlock occurs among members of the LTD Board on an issue involving the application and interpretation of this Plan Statement, notice of failure by the LTD Board to resolve the dispute shall be served by mail upon the affected Participant in this Plan within thirty (30) days from the date on which deadlock occurs. If such dispute affects a group of

Participants in this Plan, service by mail of such notice upon the DAL Master Executive Council Chairman of the Association within the above time limits shall constitute service upon all affected Participants in this Plan in such group.

- (b) Within thirty (30) days after issuance of notice as set forth above the Members of the LTD Board shall confer to select an impartial neutral to sit as an arbitrator and fifth Member of the LTD Board at a hearing for consideration and disposition of the dispute. If no agreement for selection is made, the LTD Board shall petition the National Mediation Board for the appointment of a neutral arbitrator.
- (c) Upon selection or appointment of a neutral arbitrator, Employer and Association LTD Board Members in coordination with such arbitrator shall agree upon a date for hearing and shall issue notice thereof to the affected Participant in this Plan or to the DAL Master Executive Council Chairman of the Air Line Pilots Association, International, as set forth in (a) above. Hearings shall be held in the city where the General Offices of the Employer are maintained unless a different location is agreed upon by the LTD Board.
- (d) The neutral arbitrator shall preside at all hearings and executive sessions of the LTD Board concerning the dispute. It shall be the arbitrator's responsibility to guide the parties in the presentation of testimony, exhibits and argument and to rule upon the admissibility of evidence, to the end that a fair, prompt and orderly hearing of the dispute is afforded.
- (e) The Employer, the Association and any affected Participant in this Plan may be represented at any LTD Board hearing by an attorney or other designated representative.
- (f) At the election of the Employer or Association Members, the LTD Board, constituted as an arbitration body for the hearing of a specific dispute, may consist of one Employer Member and one Association Member together with the neutral arbitrator.
- (g) The determination of the LTD Board constituting the arbitration body shall be final and binding upon the Employer, any affected Participant in this Plan and any other person or entity having any interest or claim under this Plan.
- (h) The LTD Board shall maintain a complete record of all matters submitted to it for consideration and of all findings and decisions made by it.
- (i) The Employer will assume the compensation and all expenses of its LTD Board Members and any witnesses called or summoned by it. The

Association will assume the compensation and all expenses of its LTD Board Members and any witnesses called or summoned by it. The Employer and the Association will equally share the expenses and compensation of the neutral arbitrator together with expenses of reporting and transcription.

- (j) All notices in writing shall be served by use of certified mail, return receipt requested.

4.7. **Compensation and Bonds.** No Member of the LTD Board shall receive any compensation for their services as such, and no such Member shall be paid by the Employer for any loss of flying time incurred by reason of their membership on said Board. The Members of the LTD Board shall furnish such bonds as the Employer may require, the expense of all such bonds to be borne by the Employer.

4.8. **Contract Administrator.** The Administrative Committee, after consultation with the LTD Board, may engage a contract administrator (or two or more contract administrators) to perform any of the functions that otherwise would be the responsibility of the Administrative Committee under this Plan Statement. If a contract administrator is appointed, the Administrative Committee may cause the Plan to enter into and execute such written agreement with the contract administrator containing such terms and conditions relating to the responsibilities and duties of the contract administrator, its compensation and such other matters, all as the Administrative Committee shall deem appropriate (not inconsistent with the terms of this Plan Statement). Subject to the limitation in the final sentence of Section 5.2, the fees and expenses of any contract administrator, as agreed upon from time to time between the contract administrator and the Administrative Committee, shall be payable from the Plan. Notwithstanding the foregoing, no person serving as contract administrator shall be permitted to: (i) amend or otherwise modify the Plan Statement; (ii) determine whether Employer contributions are due, the proper amount thereof or the time or times when they shall be due; (iii) appoint or remove Employer Members of the LTD Board; or (iv) exercise any authority or discharge any function of the LTD Board except to the extent delegated by the LTD Board pursuant to Section 4.3 above.

4.9. **Company Records.** The Employer shall keep or cause to be kept such records as may be necessary or appropriate in the discharge of its duties hereunder including such records as may be necessary to determine the liabilities of the Plan. The records and reports maintained or received by the Employer in connection with the administration of the Plan shall be available for inspection at all reasonable times by the LTD Board or the Association and such consultants as they may employ.

4.10. **Service of Process.** In any legal proceeding, including arbitration, involving the Plan, the Secretary of the Administrative Committee is designated as the appropriate and exclusive agent for the receipt of service of process directed to the Plan.

4.11. **Named Fiduciary.** For the purposes of section 402(a)(2) of ERISA, the Administrative Committee shall be a named fiduciary of the Plan.

4.12. **Administrative Committee and Others.** The Administrative Committee may delegate to, withdraw from or redelegate to one or more persons or to a committee of persons such functions assigned to the Administrative Committee hereunder as the Administrative Committee may from time to time deem advisable.

4.13. **Dual Capacity.** Individuals, firms, corporations or partnerships identified herein or delegated or allocated authority or responsibility hereunder may serve in more than one fiduciary capacity.

4.14. **Legal Status.** This Plan is intended to be an employee welfare benefit plan under section 3(1) of ERISA.

## SECTION 5

### OPERATION OF FUND

5.1. **Cost of This Plan.** The Employer shall contribute monthly to the Trust Fund such amounts as may be from time to time required under the terms of its agreement with the Association. All Employer contributions shall be made in cash.

5.2. **Contributions Not to be Diverted to Other Purpose.** It shall be impossible for any Plan assets, or any part of the contributions made by the Employer under this Plan, to be used for, or diverted to, purposes other than the exclusive benefit of Participants (including the payment of the reasonable expenses of administering the Plan), until all liabilities to Participants under this Plan have been paid and satisfied in full. However, no administrative expenses shall be paid from the Trust Fund if or to the extent that paying such expenses would reduce the Trust Fund below the cumulative amount of Employer contributions previously made to the Trust Fund minus the cumulative amount of LTD Benefits previously paid from the Trust Fund.

5.3. **Trustee.** The Employer will enter into an agreement with a corporate Trustee selected by it, establishing a trust for the purpose of receiving Company contributions, holding, investing and reinvesting assets of this Plan and paying benefits thereunder. The agreement with the Trustee shall include such terms as may be required to constitute the Trust a “voluntary employees’ beneficiary association” within the meaning of Section 501(c)(9) of the Code and regulations thereunder, and shall, in form and substance, be acceptable to the Association. The Trustee shall have the exclusive authority to manage and control the assets of the Trust and their custody and shall not be subject to the direction of any person in the discharge of its duties except: (i) the direction of the Administrative Committee to pay benefits hereunder; and (ii) the instructions of any investment manager duly appointed pursuant to the Trust Agreement; nor shall the Trustee’s trustee responsibility be subject to delegation or modification except by formal amendment of the Plan or Trust Agreement or both.

## SECTION 6

### AMENDMENT AND TERMINATION

6.1. **Amendment.** Except as may be otherwise agreed with the Association, the Employer reserves the right to modify or amend the Plan Statement at any time, including, but without limiting the generality of the foregoing, modification, suspension, discontinuance or amendment in its entirety or with respect to any feature thereof.

6.2. **Termination.** The Employer, with the prior consent of the Association, shall have the right at any time to terminate this Plan, subject always to such provisions of law as may be applicable upon any such termination, including, without limitation, provisions under Section 501(c)(9) of the Code and regulations thereunder regarding prohibited inurement and restrictions on distributions to contributing employers. In the event of Plan termination, the LTD Board as constituted under Section 4 shall be continued and all reasonable expenses incurred in the Plan termination shall be paid by the Plan.



## SECTION 7

### MISCELLANEOUS PROVISIONS

7.1. **Limitation on Authority.** No action taken by any fiduciary, if authority to take such action has been delegated or redelegated to it hereunder, shall be the responsibility of any other fiduciary except as may be required by the provisions of ERISA. Except to the extent imposed by ERISA, no fiduciary shall have the duty to question whether any other fiduciary is fulfilling all of the responsibility imposed upon such other fiduciary by this Plan Statement or by ERISA or by any regulations or rulings issued thereunder.

7.2. **Conflict of Interest.** If any officer or employee of the Employer or any member of the LTD Board to whom authority has been delegated or redelegated hereunder shall also be a Participant such person shall have no authority as such officer, employee or member with respect to any matter specially affecting his or her individual interest hereunder (as distinguished from the interests of all Participants or a broad class of Participants), all such authority being reserved exclusively to the other officers, employees or members, as the case may be, to the exclusion of such person, and such person shall act only in his or her individual capacity in connection with any such matter.

7.3. **Overpayments.** In the event of an overpayment from the Plan, a Participant, alternate payee or Beneficiary (the "Payee") will be notified in writing of the circumstances resulting in the overpayment and the amount of the overpayment. The Payee will be informed that he or she has forty-five (45) days from the date of the letter to contact the Plan to make arrangements for repayment. The letter will advise the Payee that if contact is not made within the forty-five (45) day period the Plan will recoup the overpayment in equal installments over the next six months from payments due from the Plan, without interest. If requested by the Payee during the forty-five (45) day period, an alternate arrangement will be made to permit repayment in equal monthly installments over a period of up to forty-eight (48) months, without interest. In the event there are insufficient future monthly payments due from the Plan, repayments will be made by the Payee in equal monthly installments over the established repayment period (six months or up to forty-eight months), without interest. In the event of default in payment of one (1) or more installments, the entire amount will become immediately due and the Plan Administrator may pursue collection of such amount (including interest and collection fees) to the full extent permitted by law.

**APPENDIX A**

**QUALIFIED DOMESTIC RELATIONS ORDERS**

**SECTION 1**

**GENERAL MATTERS**

Terms defined in the Plan shall have the same meanings when used in this Appendix.

1.1. **General Rule.** The Plan shall not honor the creation, assignment or recognition of any right to any benefit payable with respect to a Participant pursuant to a domestic relations order unless that domestic relations order is a qualified domestic relations order.

1.2. **Alternate Payee Defined.** The only persons eligible to be considered alternate payees with respect to a Participant shall be that Participant's spouse, former spouse, child or other dependent.

1.3. **DRO Defined.** A domestic relations order is any judgment, decree or order (including an approval of a property settlement agreement) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child or other dependent of a Participant and which is made pursuant to a state domestic relations law (including a community property law).

1.4. **QDRO Defined.** A qualified domestic relations order is a domestic relations order which creates or recognizes the existence of an alternate payee's right to (or assigns to an alternate payee the right to) receive all or a portion of the Accrued Benefit of a Participant under the Plan and which satisfies all of the following requirements.

1.4.1. **Names and Addresses.** The order must clearly specify the name and the last known mailing address, if any, of the Participant and the name and mailing address of each alternate payee covered by the order.

1.4.2. **Amount.** The order must clearly specify the amount or percentage of the Participant's Accrued Benefit to be paid by the Plan to each such alternate payee or the manner in which such amount or percentage is to be determined.

1.4.3. **Payment Method.** The order must clearly specify the number of payments or period to which the order applies.

1.4.4. **Plan Identity.** The order must clearly specify that it applies to this Plan.

1.4.5. **Settlement Options.** Except as provided in Section 1.4.8 of this Appendix, the order may not require the Plan to provide any type or form of benefits or any option not otherwise provided under the Plan.

1.4.6. **Increased Benefits.** The order may not require the Plan to provide increased benefits (determined on the basis of actuarial value).

1.4.7. **Prior Awards.** The order may not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

1.4.8. **Exceptions.** Notwithstanding Section 1.4.5 of this Appendix:

- (a) The order may require payment of benefits be made to an alternate payee before the Participant has separated from service if the order requires payment as of a date that is on or after the date on which the Participant attains (or would have attained) the earliest payment date described in Section 1.4.10 of this Appendix.
- (b) The order may require that payment of benefits be made to an alternate payee as if the Participant had retired on the date on which payment is to begin under such order (but taking into account only the present value of benefits actually accrued and not taking into account the present value of any Employer subsidy for early retirement).
- (c) The order may require payment of benefits to be made to an alternate payee in any form in which benefits may be paid under the Plan to the Participant (other than in the form of a joint and survivor annuity with respect to the alternate payee and his or her subsequent spouse).

1.4.9. **Deemed Spouse.** Notwithstanding the foregoing:

- (a) The order may provide that the former spouse of a Participant shall be treated as a surviving spouse of such Participant for the purposes of Section 3 of the Plan (and that any subsequent or prior spouse of the Participant shall not be treated as a spouse of the Participant for such purposes), and
- (b) The order may provide that, if the former spouse has been married to the Participant for at least one (1) year at any time, the surviving former spouse shall be deemed to have been married to the Participant for the one (1) year period ending on the date of the Participant's death.

1.4.10. **Payment Date Defined.** For the purpose of Section 1.4.8 of this Appendix, the earliest payment date means the earlier of:

- (a) The date on which the Participant is entitled to a distribution under the Plan; or
- (b) The later of (i) the date the Participant attains age fifty (50) years, or (ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

## SECTION 2

### PROCEDURES

2.1. **Actions Pending Review.** During any period when the issue of whether a domestic relations order is a qualified domestic relations order is being determined by the Administrative Committee, the Administrative Committee shall cause the Plan to separately account for the amounts which would be payable to the alternate payee during such period if the order were determined to be a qualified domestic relations order.

2.2. **Reviewing DROs.** Upon the receipt of a domestic relations order, the Administrative Committee shall determine whether such order is a qualified domestic relations order.

2.2.1. **Receipt.** A domestic relations order shall be considered to have been received only when the Administrative Committee shall have received a copy of a domestic relations order which is complete in all respects and is originally signed or certified or otherwise officially authenticated.

2.2.2. **Notice to Parties.** Upon receipt of a domestic relations order, the Administrative Committee shall notify the Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant that such domestic relations order has been received. The Administrative Committee shall include with such notice a copy of this Appendix.

2.2.3. **Comment Period.** The Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant shall be afforded a comment period of thirty (30) days from the date such notice is mailed by the Administrative Committee in which to make comments or objections to the Administrative Committee concerning whether the domestic relations order is a qualified domestic relations order. By the unanimous written consent of the Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant, the thirty (30) day comment period may be shortened.

2.2.4. **Initial Determination.** Within a reasonable period of time after the termination of the comment period, the Administrative Committee shall give written notice to the Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant of its decision that the domestic relations order is or is not a qualified domestic relations order. If the Administrative Committee determines that the order is not a qualified domestic relations order or if the Administrative Committee determines that the written objections of any party to the order being found a qualified domestic relations order are not valid, the Administrative Committee shall include in its written notice:

- (i) the specific reasons for its decision;
- (ii) the specific reference to the pertinent provisions of this Plan upon which its decision is based;

- (iii) a description of additional material or information, if any, which would cause the Administrative Committee to reach a different conclusion; and
- (iv) an explanation of the procedures for reviewing the initial determination of the Administrative Committee.

2.2.5. **Appeal Period.** The Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant shall be afforded an appeal period of sixty (60) days from the date such an initial determination and explanation is mailed in which to make comments or objections concerning whether the original determination of the Administrative Committee is correct. By the unanimous written consent of the Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant, the sixty (60) day appeal period may be shortened.

2.2.6. **Final Determination.** In all events, the final determination of the Administrative Committee shall be made not later than eighteen (18) months after the date on which first payment would be required to be made under the domestic relations order if it were a qualified domestic relations order. The final determination shall be communicated in writing to the Participant and all persons claiming to be alternate payees and all prior alternate payees with respect to the Participant.

2.3. **Final Disposition.** If the domestic relations order is finally determined to be a qualified domestic relations order and all comment and appeal periods have expired, the Plan shall pay all amounts required to be paid pursuant to the domestic relations order to the alternate payee entitled thereto. If the domestic relations order is finally determined not to be a qualified domestic relations order and all comment and appeal periods have expired, benefits under the Plan shall be paid to the person or persons who would have been entitled to such amounts if there had been no domestic relations order.

2.4. **Orders Being Sought.** If the Administrative Committee has notice that a domestic relations order is being or may be sought but has not received the order, the Administrative Committee shall not (in the absence of a written request from the Participant) delay payment of benefits to a Participant, Joint Annuitant or Beneficiary which otherwise would be due. If the Administrative Committee has determined that a domestic relations order is not a qualified domestic relations order and all comment and appeal periods have expired, the Administrative Committee shall not (in the absence of a written request from the Participant) delay payment of benefits to a Participant, Joint Annuitant or Beneficiary which otherwise would be due even if the Administrative Committee has notice that the party claiming to be an alternate payee or the Participant or both are attempting to rectify any deficiencies in the domestic relations order. Notwithstanding the above, after the commencement of a divorce action, the Administrative Committee shall comply with a restraining order, duly issued by the court handling the divorce, reasonably prohibiting the disposition of a Participant's benefits pending the submission to the Administrative Committee of a domestic relations order or prohibiting the disposition of a Participant's benefits pending resolution of a dispute with respect to a domestic relations order.

## SECTION 3

### PROCESSING OF AWARD

3.1. **General Rules.** If a benefit is awarded to an alternate payee pursuant to a domestic relations order which has been finally determined to be a qualified domestic relations order, the following rules shall apply.

3.1.1. **Effect on Accrued Benefit.** For all purposes of the Plan, the Participant's Accrued Benefit (and all other benefits payable under the Plan which are derived in whole or in part by reference to the Participant's Accrued Benefit) shall be permanently diminished by the portion of the Participant's Accrued Benefit which is awarded to the alternate payee.

3.1.2. **After Death.** After the death of an alternate payee, all amounts awarded to the alternate payee which have not been distributed to the alternate payee and which continue to be payable shall be paid in a single lump sum distribution to the personal representative of the alternate payee's estate as soon as administratively feasible, unless the qualified domestic relations order clearly provides otherwise. The Participant's Beneficiary designation or other elections under the Plan shall not be effective to dispose of any portion of the benefit awarded to an alternate payee, unless the qualified domestic relations order clearly provides otherwise.

3.2. **Former Alternate Payees.** If an alternate payee has received all benefits to which the alternate payee is entitled under a qualified domestic relations order, the alternate payee will not at any time thereafter be deemed to be an alternate payee or prior alternate payee for any substantive or procedural purpose of this Plan.