



COMPANIES HOUSE

BR2

This form should be completed in black.

Return by an overseas company subject to branch registration of an alteration to constitutional documents

(Pursuant to Schedule 21A, paragraph 7(1) of the Companies Act 1985.)

Company number

FC 005586

Company name

Delta Air Lines, Inc.

Branch number

BR 001246

Branch Name

Delta Air Lines, Inc.

CONSTITUTIONAL DOCUMENTS

* Delete as applicable

Note:- A company is only required to make a return in respect of a branch where the document altered is included amongst the material registered in respect of that branch.

On

2	8
---	---

1	0
---	---

9	3
---	---

 an alteration was made to the constitutional document(s) of the company

A copy of the new instrument is attached

~~* A certified translation is also attached~~

Signed

Director / Secretary / Permanent representative

Date

28 June 1995

When completed, this form should be returned to the address overleaf

To whom should Companies House direct any enquiries about the information on this form

Name Richards Butler (Ref: JFS)
Address Beaufort House, 15 St Botolph Street,
London, EC3A 7EE
Telephone no. 0171 247 6555



KLO *KJLBBCOA* 4085
COMPANIES HOUSE 30/06/95

When completed, this form should be delivered to :-

For branches registered in England and Wales

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

For branches registered in Scotland

The Registrar of Companies
Companies House
100 - 102 George Street
Edinburgh
EH2 3DJ

DELTA AIR LINES, INC.

BY — LAWS

and

CERTIFICATE OF INCORPORATION

As Amended
Through
October 28, 1993

Incorporated
Under the Laws of
Delaware

CONTENTS

BY-LAWS

<u>Article</u>	<u>Section</u>	<u>Subject</u>	<u>Page</u>
I		Name, Incorporation and Location of Offices	3
	1.1	Name and Incorporation	3
	1.2	Location of Registered Agent and Offices	3
II		Capital Stock	3
	2.1	Amount and Class Authorized	3
	2.2	Stock Certificates	4
	2.3	Transfer Agents and Registrars	4
	2.4	Transfers of Stock	4
	2.5	Lost or Destroyed Certificates	5
	2.6	No Preemptive Rights	5
III		Meetings of Stockholders	5
	3.1	Annual Meeting	5
	3.2	Special Meetings	6
	3.3	Notices of Meetings	6
	3.4	Record Date	7
	3.5	Quorum and Adjournment	7
	3.6	Voting Rights and Proxies	8
	3.7	Presiding Officer	8
	3.8	List of Stockholders Entitled To Vote	8
IV		Board of Directors	9
	4.1	Power and Authority	9
	4.2	Number, Nomination and Election of Directors	9
	4.2.1	Eligibility, Tenure and Vacancies	10
	4.3	Regular Meetings of the Board of Directors	11
	4.4	Special Meetings	12
	4.5	Committees Appointed by the Board	12
	4.6	Meetings of Committees Appointed by the Board	13
	4.7	Quorum and Voting	13
	4.8	Meeting by Conference Telephone	13
	4.9	Action Without Meeting	13
	4.10	Compensation	13
V		Officers	14
	5.1	Election, Qualification, Tenure and Compensation	14
	5.2	Chief Executive Officer	14
	5.3	Chairman of the Board	15
	5.4	President	15
	5.5	Vice Chairman of the Board	15
	5.6	Absence or Disability of Chairman and President	15
	5.7	Secretary	16
	5.8	Assistant Secretaries	16
	5.9	Comptroller	16
	5.10	Treasurer	17
	5.11	Assistant Treasurers	17
	5.12	Bonds	17
VI	6.1	Corporate Seal	17
VII	7.1	Fiscal Year	18
VIII		Dividends	18
	8.1	\$3 Par Value Common Stock	18
	8.2	Record Date for Payment of Dividends	18

BY-LAWS

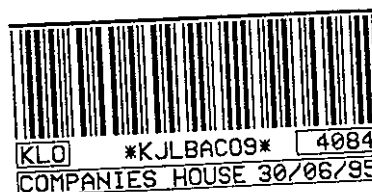
Article	Section	Subject	Page
IX		Financial Transactions and Execution of Instruments in Writing	19
	9.1	Depositories	19
	9.2	Withdrawals and Payments	19
	9.3	Evidence of Indebtedness and Instruments under Seal	19
X		Books and Records	20
	10.1	Location	20
	10.2	Inspection	20
XI		Transactions with Officers and Directors	20
	11.1	Validation	21
XII	12.1	Amendment, Repeal or Alteration	22

EMERGENCY BY-LAWS

CERTIFICATE OF INCORPORATION

Article	Subject	Page
First	Name	24
Second	Principal Office and Resident Agent in Delaware	24
Third	Nature of Business	24
Fourth	Number of Shares	26
Fifth	No Preemptive Rights	28
Sixth	Names of Delaware Incorporators	28
Seventh	Perpetual Existence	28
Eighth	Private Property of Stockholders Not Subject to Corporate Debts	28
Ninth	Directors: Number, Election, Vacancies and Committees	28
	Officers: Required Officers, Election and Removal	29
Tenth	Indemnification	30
Eleventh	By-Laws	30
Twelfth	Stockholders' Meetings; Corporate Records	30
Thirteenth	Dividends; Issuance of Stock and other Securities	30
Fourteenth	Directors' Powers in Furtherance, Not Limitation of, Delaware Law	30
Fifteenth	Reservation of Power To Amend Certificate of Incorporation	30
Sixteenth	Stockholder Action By Written Consent	31
Seventeenth	Fair Price Provision	31
Eighteenth	Limitation on Director Liability	36

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES A PREFERRED STOCK OF DELTA AIR LINES, INC.	37
CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES B ESOP CONVERTIBLE PREFERRED STOCK OF DELTA AIR LINES, INC.	45
CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES C CONVERTIBLE PREFERRED STOCK OF DELTA AIR LINES, INC.	67



**BY-LAWS OF
DELTA AIR LINES, INC.**

ARTICLE I.

NAME, INCORPORATION AND LOCATION OF OFFICES

SECTION 1.1 *Name and Incorporation.*

The name of this corporation is DELTA AIR LINES, INC. It is incorporated under the laws of Delaware in perpetuity.

SECTION 1.2 *Location of Registered Agent and Offices.*

The name of the registered agent of the corporation is the Corporation Trust Co., and its address and the address of the corporation's principal office in Delaware is No. 100 West 10th Street, Wilmington, Delaware 19801. Said registered agent and office may be changed as provided by the General Corporation law of Delaware, as now or hereafter in effect.

The corporation may also have an office in Atlanta, Georgia, and may have offices at such other places as the business of the corporation may require.

ARTICLE II.

CAPITAL STOCK

SECTION 2.1 *Amount and Class Authorized.*

Until otherwise provided by amendment to its Certificate of Incorporation, the authorized capital stock of the corporation shall consist of 170,000,000 shares, of which 150,000,000 shall be common stock of the par value of \$3.00 per share and 20,000,000 shall be preferred stock of the par value of \$1.00 per share. Shares of such authorized \$3.00 par value common stock, in addition to the shares now outstanding, up to the authorized maximum of 150,000,000 shares, may be issued at such times, and from time to time, and may be sold for such considerations, not less than the par value thereof, as shall be fixed and determined by the board of directors. Shares of such authorized preferred stock up to the authorized maximum of 20,000,000 shares may be issued at such times, and from

time to time, in such series and with such rights, including voting rights, preferences, and limitations, and may be sold for such considerations, not less than the par value thereof, as shall be fixed and determined by the board of directors.

SECTION 2.2 *Stock Certificates.*

Certificates evidencing the stock of the corporation shall be in such forms as shall be authorized and approved by the board of directors. Such certificates shall be signed by the chairman of the board, the president or a vice president and by the secretary or an assistant secretary of the corporation, and the seal of the corporation shall be affixed thereto. The seal of the corporation and any or all the signatures on such certificate may be facsimile engraved, stamped or printed.

If any officer, transfer agent or registrar who has signed, or whose facsimile signature has been used on, a certificate has ceased to be an officer, transfer agent or registrar or if any officer who has signed has had a change in title before the certificate is delivered, such certificate may nevertheless be issued and delivered by the corporation as though the officer, transfer agent or registrar who signed or whose facsimile signature shall have been used had not ceased to be such officer, transfer agent or registrar or such officer had not had such change in title.

SECTION 2.3 *Transfer Agents and Registrars.*

The board of directors may appoint transfer agents and co-transfer agents and registrars and co-registrars for the stock of the corporation and, if it so elects, may appoint a single agency to serve as both transfer agent and registrar, and may require all certificates evidencing stock to bear the signature or signatures of any of them.

SECTION 2.4 *Transfers of Stock.*

Transfers of stock of the corporation shall be made only on the books of the corporation by the registered holder thereof in person or by attorney thereunto duly authorized in writing. Powers of attorney to transfer stock of the corporation shall be filed with the duly authorized transfer agent of the corporation, when appointed, and the certificates evidencing the stock to be transferred shall be surrendered to such transfer agent for cancellation, and shall be cancelled by it at the time of transfer.

Until transfer shall have been made as provided above, possession of a certificate evidencing stock of the corporation shall not vest any ownership of such certificate, or of the stock evidenced thereby, in any person other than the person in whose name said stock stands registered on the books of the corporation and the corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder thereof in fact and shall not be bound to recognize any equitable or other claim to or interest in any such share or shares on the part of any other person, whether or not it shall have express or other notice thereof. Notwithstanding the foregoing, the

corporation shall have the power and is authorized to effect through the duly authorized transfer agent and registrar or otherwise transfers of stock of the corporation to various states or appropriate state authorities when applicable state laws of escheat or abandonment so require.

SECTION 2.5 *Lost or Destroyed Certificates.*

In case of the loss or destruction of an outstanding certificate of stock, another certificate for a like number of shares may be issued in place of the lost or destroyed certificate upon proof satisfactory to the board of directors or its delegate, and upon payment of the expenses, if any, incident to the issuance of such new certificate; provided, however, that the board of directors or its delegate, if it sees fit, may require that such lost or destroyed certificate be established as by the laws of Delaware in such cases made and provided, and further provided that, any provision of law to the contrary notwithstanding, the board of directors or its delegate may require the owner of such lost or destroyed certificate, or the legal representative of such owner, to give the corporation a bond sufficient, in the opinion of the board of directors or its delegate, to indemnify the corporation against and hold it harmless from any and all loss, damage, liability and claims (whether or not such claims be meritorious) on account of and with respect to such lost or destroyed certificate and the stock evidenced thereby and the issuance or establishment of such new certificate.

SECTION 2.6 *No Preemptive Rights.*

No holder of any stock of the corporation which shall at any time be outstanding shall have any preemptive rights to subscribe for or purchase additional shares of stock of the corporation of any class which at any time may be authorized or issued.

ARTICLE III.

MEETINGS OF STOCKHOLDERS

SECTION 3.1 *Annual Meeting.*

The annual meeting of stockholders shall be held on the fourth Thursday in October of each year or at such other time as the board of directors shall specify, at such place, either within or without the State of Delaware, as may be designated by the board of directors from time to time, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these By-Laws.

To be properly brought before the meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board, (b) otherwise properly brought before the meeting by or at the direction of the board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 55 days nor more than 75 days prior to the meeting; *provided* that if the board gives the stockholders less than 65 days' notice of the date of the meeting and makes prior public disclosure of the date of the meeting less than 65 days prior to the meeting, notice by the stockholder to be timely must be so delivered or mailed and received not later than the close of business on the 10th day following the day on which the board gave such notice or made such public disclosure of the date of the annual meeting, whichever first occurs. Such stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in the By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Article III, *provided*, that nothing in this Article III shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting.

If business is not properly brought before the meeting in accordance with the provisions of this Article III, the Presiding Officer at an annual meeting shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 3.2 *Special Meetings.*

Special meetings of the stockholders shall be held at such times, and at such places, either within or without the State of Delaware, as shall be designated in the notice of call of the meeting, and may be called by the chairman of the board or the president at any time and must be called by the chairman of the board or the president whenever requested in writing by a majority of the board of directors.

SECTION 3.3 *Notices of Meetings.*

Written or printed notices of every annual or special meeting of the stockholders shall be mailed to each stockholder of record at the close of

business on the record date hereinafter provided for, at the address shown on the stock book of the corporation or its transfer agents, not less than ten nor more than sixty days prior to the date of such meeting. Notices of special meetings shall briefly state or summarize the purpose or purposes of such meetings, and no business except that specified in the notice shall be transacted at any special meeting. It shall not be necessary that notices of annual meetings specify the business to be transacted at such annual meetings, and any business of the corporation may be transacted at any annual meeting of the stockholders to the extent not prohibited by applicable law, the Certificate of Incorporation or these By-Laws.

SECTION 3.4 *Record Date.*

It shall not be necessary to close the stock transfer books of the corporation for the purpose of determining the stockholders entitled to notice of and to participate in and vote at any meeting of the stockholders. In lieu of closing the stock transfer books of the corporation, and for all purposes that might be served by closing the stock transfer books, the board of directors may fix and declare a date not less than ten days nor more than sixty days prior to the date of any annual or special meeting as the record date for the determination of stockholders entitled to notice of and to participate in and vote at such meeting of the stockholders and any adjournment thereof; and the corporation and its transfer agents may continue to receive and record transfers of stock after any record date as so provided. In any such case, such stockholders, and only such stockholders as shall have been stockholders of record at the close of business on the record date shall be entitled to notice and to participate in and vote at any such meeting of the stockholders, notwithstanding any transfers of stock which may have been made on the books of the corporation or its transfer agents after such record date.

SECTION 3.5 *Quorum and Adjournment.*

Except as otherwise provided or required by law, by the Certificate of Incorporation or by these By-Laws, a quorum at any meeting of the stockholders shall consist of the holders of shares representing a majority of the number of votes entitled to be cast by the holders of all shares of stock then outstanding and entitled to vote, present in person or by proxy. If a quorum is not present at any duly called meeting, the Presiding Officer or the holders of a majority of the votes present may adjourn the meeting from day to day, or to a fixed date, without notice other than announcement at the meeting, but no other business may be transacted until a quorum is present; provided, however, that any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected, and further provided that those who attend the second of such adjourned meetings, although less than a quorum as fixed hereinabove, shall nevertheless constitute a quorum for the purpose of electing directors.

The stockholders present at a duly organized meeting at which a quorum is present at the outset may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to result in less than a quorum or the refusal of any stockholder present to vote.

The Presiding Officer may in his discretion defer voting on any proposed action and adjourn any meeting of the stockholders until a later date, provided such actions are otherwise permitted by law and are not inconsistent with the Certificate of Incorporation or other provisions of these By-Laws.

SECTION 3.6 *Voting Rights and Proxies.*

At all meetings of stockholders, whether annual or special, the holder of each share of common stock which is then outstanding and entitled to vote shall be entitled to one vote for each share held and the holder of each share of any series of preferred stock which is then outstanding shall be entitled to such voting rights, if any, and such number of votes, as shall be specified in the resolution or resolutions of the board of directors providing for the issuance of such series. Stockholders may vote at all such meetings in person or by proxy duly authorized in writing. All proxies shall be filed with the secretary of the meeting before the meeting is called to order. Except as otherwise specifically provided by law, by the Certificate of Incorporation or by these By-Laws, a majority of the valid votes present shall be necessary and sufficient to decide any question which shall come before any meeting of the stockholders. In case of any challenge of the right of a given stockholder to vote in person or by proxy, the Presiding Officer hereinafter provided for shall be authorized to make the appropriate determination, and his decision shall be final.

SECTION 3.7 *Presiding Officer.*

All meetings of the stockholders shall be presided over by the chairman of the board or, in the absence or disability of the chairman, by the president, or in his absence or disability, by the vice chairman, if any, or, in his absence or disability, by the senior director (in terms of length of service on the board of directors) present.

SECTION 3.8 *List of Stockholders Entitled to Vote.*

A complete list of the stockholders entitled to vote, arranged in alphabetical order and indicating the number of shares held by each, shall be prepared by the secretary and shall be available at the place where any stockholders' meeting is being held, and shall be open to the examination of any stockholder for any proper purpose during the whole of such meeting.

ARTICLE IV.
BOARD OF DIRECTORS

SECTION 4.1 *Power and Authority.*

All of the corporate powers of this corporation shall be vested in and the business, property and affairs of the corporation shall be managed by, or under the direction of, the board of directors; and the board of directors shall be, and hereby is, fully authorized and empowered to exercise all of the powers of the corporation and to do, and to authorize, direct and regulate the doing of, any and all things which the corporation has the lawful right to do which are not by statute, the Certificate of Incorporation or these By-Laws expressly directed or required to be exercised or done by the stockholders.

SECTION 4.2 *Number, Nomination and Election of Directors.*

The board of directors shall consist of not less than five nor more than nineteen directors who shall be stockholders of the corporation. The members of the board of directors shall be elected by the stockholders at the annual meeting of stockholders, or at a duly convened adjournment thereof or at a special meeting of stockholders duly called and convened for that purpose, provided, however, that only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board of the corporation at the annual meeting or a duly convened adjournment thereof may be made by or at the direction of the board of directors, by any nominating committee or person appointed by the board, or by any stockholder of the corporation entitled to vote for the election of directors at the meeting or a duly convened adjournment thereof who complies with the notice procedures set forth in this Article IV. Such nominations, other than those made by or at the direction of the board, or by any nominating committee or person appointed by the board, shall be made pursuant to timely notice in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 55 days nor more than 75 days prior to the meeting; provided that if the board gives the stockholders less than 65 days' notice of the date of the meeting and makes prior public disclosure of the date of the meeting less than 65 days prior to the meeting, notice by the stockholder to be timely must be so delivered or mailed and received not later than the close of business on the 10th day following the day on which the board gave such notice or made such public disclosure of the date of the meeting, whichever first occurs. Such stockholder's notice to the secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the corporation which are beneficially owned by

the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14a under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder and (ii) the class and number of shares of capital stock of the corporation which are beneficially owned by the stockholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the qualifications of such proposed nominee to serve as director of the corporation. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth herein.

If a nomination is made that is not in accordance with the foregoing procedure, the Presiding Officer at an annual meeting shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 4.2.1 *Eligibility, Tenure and Vacancies.*

A nomination to serve as a director shall be accepted and votes cast for a nominee shall be counted only if the secretary has received, at least thirty days before the annual or a special meeting of stockholders, a statement signed by the nominee advising that he or she consents to being a nominee and, if elected, intends to serve as a director, and further provided that:

(a) Directors who are full-time employees of the company shall resign from the board coincident with their retirement from full-time employment.

(b) The age limit for directors not covered by subparagraph (a), above, or who, after resigning from the board upon retirement from full-time employment are re-elected to the board, shall be seventy-two, and such directors shall retire from the board as of the date and time of the annual meeting of stockholders which next follows their attainment of age seventy-two; provided, however, that such directors originally elected to the board after November 1, 1981, shall retire from the board as of the date and time of the annual meeting of stockholders which next follows their attainment of age seventy.

(c) The board may extend the retirement date for one year for any director who is serving as chairman of a committee of the board who will have occupied such chairmanship less than two years at the time of his or her normal retirement date, but this subparagraph (c) shall be effective only through October 22, 1992 and no extension shall be valid beyond that date.

Each member of the board of directors shall hold office from the time of his election and qualification until the next annual meeting of the stockholders and until his successor shall have been elected and qualified; provided, however, that any member of the board of directors may be removed from such office by the stockholders at any time, with or without cause, at any meeting of the stockholders, duly called for such purpose, in which event a successor may be elected by the stockholders at such meeting

or at any subsequent meeting of the stockholders duly called for such purpose.

The number of members of the board of directors may be increased or decreased at any time and from time to time to not less than five nor more than nineteen members by resolution adopted by the board of directors and in such event, and in the event any vacancy on the board of directors shall occur by death, resignation, retirement, disqualification or otherwise, additional or successor members of the board of directors may be elected by majority vote of the remaining members of the board of directors present in person at any duly convened meeting of said board.

Any director may resign at any time upon written notice to the corporation.

SECTION 4.3 *Regular Meetings of the Board of Directors.*

The first organizational meeting of each newly-elected board shall be held at such time and place, either within or without the State of Delaware, as shall be fixed by the outgoing board of directors at its last regular meeting preceding the annual meeting of the stockholders, and no notice of such meeting shall be necessary to the newly-elected directors in order to constitute the meeting legally, provided that a majority of the whole board shall be present, and further provided that such newly-elected board may meet at such other place and time as shall be fixed by the consent in writing of all of the said directors.

At such organizational meeting the board, by a vote of a majority of all of the members thereof, shall elect a chairman from among its members. The chairman shall preside over all meetings of the board of directors, if present, and shall have such other powers and perform such other duties as may be assigned to him by the board from time to time. In his capacity as chairman of the board he shall not necessarily be an officer of the corporation but he shall be eligible to serve, in addition, as an officer pursuant to Section 5.1 of these By-Laws.

All meetings of the directors shall be presided over by the chairman of the board or, in his absence or disability, by the chief executive officer of the corporation if he is a member of the Board or, in his absence or disability, by the president if he is a member of the Board or, in his absence or disability, by the vice chairman, if any, or, in his absence or disability, by the senior director (in terms of length of service on the board of directors) present.

Regular meetings of the board of directors shall be held during the months of January, April and July, on such dates and at such places as the board by resolution or, failing such resolution, as the chairman of the board or, during his absence or disability, the president or the secretary of the corporation may determine, and if not previously specified in a board resolution, each director shall be advised in writing of the date, place and time of each such meeting at least two days in advance, unless such notice be waived in writing.

SECTION 4.4 *Special Meetings.*

Special meetings of the board of directors shall be held at such time and place, within or without the State of Delaware, as shall be designated in the call and notice of the meeting; and may be called by the chairman of the board, or in his absence or disability by the president or the secretary of the company, at any time, and must be called by the chairman, or in his absence or disability by the president or the secretary of the corporation, whenever so requested in writing by three or more members of the board. Notices of special meetings shall be given to each member of the board not less than twenty-four hours before the time at which each such meeting is to convene. Such notices may be given by telephone or by any other form of written or verbal communication. It shall not be necessary that notices of special meetings state the purposes or the objects of the meetings, and any business which may come before any duly called and convened special meeting of the board may be transacted at such meeting.

The members of the board of directors, before or after any meeting of the board, may waive notice thereof and, if all members of the board be present in person at any meeting or waive notice of the meeting, the fact that proper notice of the meeting was not given shall not in any way affect the validity of the meeting or the business transacted at the meeting.

SECTION 4.5 *Committees Appointed by the Board.*

A majority of the whole board may from time to time appoint (a) committees of the board, the membership of which shall consist entirely of board members and (b) other committees, the membership of which may be either a mixture of board and non-board members or entirely non-members of the board. All committees so appointed shall elect a chairman and keep regular minutes of their meetings and transactions and such minutes shall be accessible to all members of the board at all reasonable times.

No such committee shall have the power or authority to amend the Certificate of Incorporation (except that a committee may, to the extent authorized in a resolution of the board of directors providing for the issuance of shares of stock, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series); to adopt an agreement of merger or consolidation; to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets; to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution; to amend the By-Laws of the corporation; or, unless a resolution of the board of directors, the By-Laws or the Certificate of Incorporation expressly so provides, to declare a dividend or authorize the issuance of stock.

SECTION 4.6 *Meetings of Committees Appointed by the Board.*

Meetings of any committee appointed by the Board shall be called by the secretary or any assistant secretary of the corporation (or, in the case of committees appointed by the board whose membership does not consist exclusively of board members, by such employee of the corporation as has been designated pursuant to By-Law 5.7 to record the votes and the minutes of such committee) upon the request of the chairman of the committee, the chairman of the Board, the chief executive officer of the corporation, or any two members of the committee. Notice of each such meeting shall be given in the same manner specified in Section 4.4 for special meetings of the board of directors.

SECTION 4.7 *Quorum and Voting.*

A majority of the members of the board of directors or of any committee appointed by the board shall be present at any meeting of the board or such committee in order to constitute a quorum, and a majority of the members present at any duly constituted meeting of the board or such committee may decide any question which properly may come before the meeting, unless a different vote is specifically required by these By-Laws, the Certificate of Incorporation or applicable law.

SECTION 4.8 *Meeting by Conference Telephone.*

Members of the board of directors or any committee appointed by the board may participate in a meeting by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in such meeting in such manner shall constitute presence in person at such meeting.

Notwithstanding the notice provisions of Sections 4.3, 4.4 and 4.6 above, participation in a meeting by means of conference telephone by a member of the board of directors or a committee appointed by the board shall constitute waiver of notice of the meeting by such director.

SECTION 4.9 *Action Without Meeting.*

Any action required or permitted to be taken at any meeting of the board of directors or any committee appointed by the board may be taken without a meeting if all of the directors or all of the members of such a committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the board of directors or of such committee.

SECTION 4.10 *Compensation.*

A director shall receive such reasonable compensation for his services as a director or as a member of a committee appointed by the board of directors (including service as chairman of the board or as chairman of a committee of the board) as may be fixed from time to time by the board of

directors and shall be reimbursed for his reasonable expenses, if any, in attending any meeting of the board of directors or such a committee. A director shall not be barred from also serving the corporation in any other capacity and receiving reasonable compensation therefor.

ARTICLE V. OFFICERS

SECTION 5.1 *Election, Qualification, Tenure and Compensation.*

The officers of the corporation shall be elected by the board of directors and shall include a president, one or more vice presidents (one or more of whom may be designated as an executive vice president or senior vice president), a secretary, a comptroller, a treasurer and such other officers, including a vice chairman, as from time to time the board of directors shall deem necessary or desirable. At the discretion of the board, the chairman of the board may also be elected under the same title as an officer of the corporation.

The chairman of the board and president (and the vice chairman, if any) shall be, and the other officers may be but need not be, members of the board of directors and stockholders.

Unless otherwise provided by the board of directors, each officer shall hold office from the time of his election until his successor shall have been elected and qualified, provided, however (except as otherwise provided in a contract duly authorized by the board of directors), any officer may be removed from office by the board of directors at any time, with or without cause, and any officer may resign at any time upon written notice to the corporation. Any two offices may be united in any one person, provided that no person shall act in more than one capacity in any one transaction.

The compensation of all officers shall be fixed and determined by the board of directors or pursuant to its delegated authority.

From time to time the board of directors, or its delegates, may appoint such other agents, for such terms and with such rights, powers and authorities, on such conditions, subject to such limitations and restrictions and at such compensation as shall seem right and proper to it or them, and any such agent may be removed from office by the board of directors or its delegates at any time, with or without cause.

SECTION 5.2 *Chief Executive Officer.*

From time to time the board of directors shall designate by resolution either the chairman of the board, if elected as an officer of the corporation, or the president to act as the chief executive officer of the corporation. The

chief executive officer shall have responsibility for the active and general management of the corporation and such authorities and duties as are usually incident to the office of chief executive officer and as from time to time shall be specified by the board of directors. He shall prescribe the duties of all subordinate officers, agents and employees of the company to the extent not otherwise prescribed by the Certificate of Incorporation, the By-Laws or the board of directors. Such designation shall continue in full force and effect until modified or rescinded by further resolution of the board.

SECTION 5.3 *Chairman of the Board.*

The chairman of the board shall preside over all meetings of the board of directors and the stockholders of the corporation. He shall have such other authorities and duties as are usually incident to the office of chairman of the board and as from time to time shall be specifically directed by the board of directors. Except where by law the signature of the president is required, the chairman of the board shall possess the same power as the president to sign all certificates, contracts and other instruments of the corporation which may be authorized by the board of directors. During the absence or disability of the president, if the chairman has been elected as an officer of the corporation he shall exercise all of the powers and discharge all of the duties of the president. If the chairman has not been elected as an officer of the corporation, then the provisions of Section 5.6 shall apply.

SECTION 5.4 *President.*

Subject to the powers and duties hereinbefore delegated to the chairman of the board, and to the powers and duties hereinbefore delegated to the chief executive officer if the chairman of the board is designated by the board of directors to act as chief executive officer, the president shall direct the operations of the company. He shall have such other authorities and duties as are usually incident to the office of president and as, from time to time, shall be specifically directed by the board of directors. During the absence or disability of the chairman, the president shall exercise all of the powers and discharge all of the duties of the chairman.

SECTION 5.5 *Vice Chairman of the Board.*

The vice chairman of the board, if any, who shall be an officer of the corporation, shall have such specific powers, duties and authority, and shall perform such administrative and executive duties as, from time to time, may be assigned by the board of directors, or the chief executive officer.

SECTION 5.6 *Absence or Disability of Chairman and President.*

In the absence or disability of both the chairman of the board if he has been elected an officer of the corporation, and the president, or in the

absence or disability of the president if the chairman has not been elected as an officer of the corporation, the vice chairman, if any, or if there is no vice chairman, an officer previously designated in writing by the chief executive officer or, in the absence of such designation, an officer designated by the board of directors, shall exercise all of the powers and discharge all of the duties of the said officer or officers until one or both return to active duty or until the board of directors authorizes another person or persons to act in their capacities.

SECTION 5.7 *Secretary.*

The secretary or an assistant secretary shall record the votes and the minutes, in books to be kept for that purpose, of all meetings of the stockholders, of the board of directors, and of those committees of the board of directors whose membership is confined to members of the board, provided, however, that in the absence of the secretary and the assistant secretaries the chairman of any such meeting may designate another officer of the company to act as secretary of that meeting. Any employee of the corporation may be designated by committees which are appointed by the board, but whose membership is not confined to members of the board, to record the votes and minutes of the proceedings of such committees in books to be kept for that purpose. The secretary or an assistant secretary shall give or cause to be given, notice of all meetings of the stockholders, the board of directors and committees of the board of directors. The secretary and assistant secretaries shall keep in safe custody the seal of the corporation and shall affix the same to any instrument requiring it and, when required, it shall be attested by his signature or by the signature of an assistant secretary. In the absence or disability of the secretary and all assistant secretaries, the seal may be affixed and the instrument attested by any vice president. The secretary also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.8 *Assistant Secretaries.*

In the absence or disability of the secretary, an assistant secretary, if specifically designated and directed by the chairman of the board or the president, shall perform the prescribed duties and functions of the secretary. The assistant secretaries also shall have such specific powers and authorities and shall perform such other duties and functions as from time to time may be assigned by the board of directors, or the chief executive officer.

SECTION 5.9 *Comptroller.*

The comptroller shall cause to be kept full and accurate books and accounts of all assets, liabilities and transactions of the corporation. The comptroller shall establish and administer an adequate plan for the control of operations, including systems and procedures required to properly maintain internal controls on all financial transactions of the corporation. The comptroller shall prepare, or cause to be prepared, statements of the

financial condition of the corporation and proper profit and loss statements covering the operations of the corporation and such other and additional financial statements, if any, as the chief executive officer or the board of directors from time to time shall require. The comptroller also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.10 *Treasurer.*

The treasurer shall be responsible for the custody and care of all the funds and securities of the corporation and shall cause to be kept full and accurate books and records of account of all receipts and disbursements of the corporation. The treasurer shall cause all money and other valuable effects of the corporation to be deposited in the name and to the credit of the corporation in such depositories as shall be designated from time to time by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, or the chief executive officer. The treasurer also shall perform such other duties as may be assigned to him by the board of directors, or the chief executive officer.

SECTION 5.11 *Assistant Treasurers.*

In the absence or disability of the treasurer, an assistant treasurer, if any, or any other officer of the corporation, if specifically designated and directed by the chairman of the board or the president, shall perform the prescribed duties and functions of the treasurer. Any such assistant treasurer also shall have such specific powers and authorities and shall perform such other duties and functions as from time to time shall be assigned by the board of directors, or the chief executive officer of the corporation.

SECTION 5.12 *Bonds.*

Any officer or agent of the corporation shall furnish to the corporation such bond or bonds, with security for the faithful performance of his duties, as from time to time may be required by the board of directors.

ARTICLE VI.

CORPORATE SEAL

SECTION 6.1 *Corporate Seal.*

The corporate seal shall have inscribed thereon the name of the corporation, the word "SEAL" and the word "Delaware". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VII.

FISCAL YEAR

SECTION 7.1 *Fiscal Year.*

The fiscal year of the corporation shall commence on the first day of July of each year and shall end on the thirtieth day of June of the next following year.

ARTICLE VIII.

DIVIDENDS

SECTION 8.1 *\$3 Par Value Common Stock.*

Dividends may be paid on the \$3 par value common stock of the corporation in such amounts and at such times as the board of directors shall determine.

SECTION 8.2 *Record Date for Payment of Dividends.*

It shall not be necessary to close the stock transfer books of the corporation for the purpose of determining the stockholders entitled to receive payment of any dividend on the stock of the corporation; but in lieu of closing the stock transfer books, and for all purposes that might be served by closing the stock transfer books, the board of directors, in declaring any dividend on the common stock, shall fix either the date on which the dividend is declared or a date between that date and the date on which the dividend is to be paid as the record date for determining stockholders entitled to receive payment of said dividend; and the corporation and its transfer agents may continue to receive and record transfers of stock after the record date so fixed and determined but, in any such case, such stockholders and only such stockholders as shall have been stockholders of record at the close of business on the record date so fixed and determined by the board of directors shall be entitled to receive payment of said dividend, notwithstanding any transfer of any stock which may have been made on the books of the corporation or its transfer agents after said record date.

ARTICLE IX.
FINANCIAL TRANSACTIONS AND EXECUTION OF
INSTRUMENTS IN WRITING

SECTION 9.1 *Depositories.*

The funds and securities of the corporation shall be deposited, in the name of and to the credit of the corporation, in such banks, trust companies and other financial institutions as shall from time to time be determined and designated by the board of directors or its delegate.

SECTION 9.2 *Withdrawals and Payments.*

All checks and orders for the withdrawal or payment of funds of the corporation, shall be signed in the name of the corporation in such manner and form and by such officer, officers or other employees as from time to time may be authorized and provided by the board of directors or its delegate. Facsimile signatures may be used when authorized by the board or its delegate.

It shall be the duty of the secretary, an assistant secretary or the corporation's official in charge of internal auditing to certify to the designated depositories of the funds and securities of the corporation the names and signatures of the officers and other employees of the corporation who, from time to time, are authorized to sign checks, drafts or orders for the withdrawal of funds and/or securities. No check, drafts or order for the withdrawal or payment of funds of the corporation shall be signed in blank.

SECTION 9.3 *Evidence of Indebtedness and Instruments Under Seal.*

Unless otherwise authorized by the board of directors, all notes, bonds, and other evidences of indebtedness of the corporation, and all deeds, indentures, contracts and other instruments in writing required to be executed under the seal of the corporation, shall be signed in the name and on behalf of the corporation by the chairman of the board, the president, the vice chairman, if any, or a vice president of the corporation and shall be attested by the secretary or an assistant secretary.

ARTICLE X.
BOOKS AND RECORDS

SECTION 10.1 *Location.*

The books, accounts and records of the corporation, except as may be otherwise required by the laws of the State of Delaware, may be kept outside of the State of Delaware, at such place or places as the board of directors may from time to time appoint.

SECTION 10.2 *Inspection.*

Except as otherwise required by law, the board of directors or its delegate shall determine whether and to what extent the books, accounts and records of the corporation, or any of them other than the stock books, shall be open to the inspection of the stockholders.

ARTICLE XI.
TRANSACTIONS WITH OFFICERS AND DIRECTORS

SECTION 11.1 *Validation.*

Contracts and all other transactions, including but not limited to purchases and sales, by and between this corporation and one or more of its officers or directors, or by and between this corporation and any firm, partnership, association or corporation of which one or more of the officers or directors of this corporation shall be members, partners, officers or directors or in which one or more of the officers or directors of this corporation shall be interested, shall be valid, binding and enforceable, and shall not be voidable by this corporation or its stockholders notwithstanding the participation of any such interested director in any meeting of the board of directors of this corporation at which such contract or other transaction shall be considered, acted upon or authorized, and notwithstanding the participation of any such interested officer or director in the making or performance of such contract or transaction, if the material facts of such interest shall be disclosed to or be known by the members of the board of directors of this corporation who shall be present at the meeting of said board at which such contract or transaction, and such participation therein, shall be authorized or approved and if the board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum.

ARTICLE XII.

AMENDMENT, REPEAL OR ALTERATION

SECTION 12.1 *Amendment, Repeal or Alteration.*

These By-Laws may be amended, repealed or altered, in whole or in part, by a majority of the valid votes cast at any duly convened regular annual meeting of the stockholders or at any duly convened special meeting of stockholders when such object shall have been announced in the call and notice of the meeting. These By-Laws also may be amended, repealed or altered by vote of a majority of the whole board of directors at any duly convened meeting of the board of directors; provided, however, that any such action of the board of directors may be repealed by the stockholders. The repeal of any such action of the board of directors by the stockholders, however, shall not invalidate or in anywise affect the validity of any act or thing done in reliance upon said action of the board of directors.

EMERGENCY BY-LAWS

Adopted October 27, 1967

Subject to repeal or change by the stockholders, and notwithstanding any different provision contained in the Delaware Corporation Law or in the Certificate of Incorporation or By-Laws of this corporation, the following emergency by-laws shall be operative in any emergency arising from an attack on the United States or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or stockholders, or during any atomic or nuclear disaster or during the existence of any catastrophe or other similar emergency condition as a result of which a quorum of the board of directors cannot readily be convened for action.

1. In the event of emergency or disaster as described above, an emergency board of directors shall forthwith assume direction and control of the affairs of the corporation.

2. Such emergency board of directors shall consist of all living directors, and meetings of the emergency board may be called by the chairman of the board, the president, the vice chairman or the secretary or, in the event of the death or inability of any of the four to act, by any surviving director with the capacity and ability to act.

3. To the extent possible, notice of emergency board meetings shall be given in each instance to each known living member of the board at his last known business address, either orally or in writing delivered personally or by mail, telegraph, telephone or radio, or by publication; provided however, that if notice by such means is impossible insofar as specific individual directors are concerned, then the person calling the meeting shall give such directors such notice as is reasonably possible under the circumstances.

4. At any properly called meeting of the emergency board a quorum shall not be necessary, and the acts of a majority of the members of the emergency board present shall be and shall constitute the acts of the emergency board.

5. During its existence, the emergency board shall have the following powers:

- (a) To appoint officers and agents of the corporation and to determine their compensation and duties;
- (b) To borrow money and to issue bonds, notes or other obligations and evidence of indebtedness therefor;
- (c) To determine questions of general policy with respect to the business of the corporation;
- (d) To call stockholders' meetings; and
- (e) To take all actions and to do all things necessary to preserve the corporation as an operating entity, and to direct and control its affairs and operations, until the regular board of directors has been reconstituted, either by the passage of time, by action of the stockholders, or otherwise in accordance with law.

6. No officer, director or employee acting in accordance with these emergency by-laws shall be liable to the corporation or its stockholders with respect to action taken under power granted herein except for willful misconduct.

7. As soon as reasonably possible following the creation of an emergency board of directors, if it appears clear that such action is required because of the number of directors killed or indefinitely incapacitated, the emergency board shall call a regular or special meeting of the stockholders of the corporation for the election of a new board of directors, or otherwise to reconstitute the board, and upon the election and qualification or reconstitution of such board, the emergency board established pursuant to these emergency by-laws shall cease and terminate and the direction and control of the affairs of the corporation shall vest in such new or reconstituted board of directors.

8. To the extent not inconsistent with these emergency by-laws, the regular by-laws of the corporation shall remain in effect during the emergency.

CERTIFICATE OF INCORPORATION
OF
DELTA AIR LINES, INC.

First: The name of the corporation (which is hereinafter referred to as the "Corporation") is Delta Air Lines, Inc.

Second: The principal office of the Corporation in the State of Delaware is located at No. 100 West Tenth Street in the City of Wilmington, County of Newcastle. The name and address of its resident agent is The Corporation Trust Company, No. 100 West Tenth Street, Wilmington, Delaware.

Third: The nature of the business and the objects and purposes to be transacted, promoted or carried on by the Corporation are:

- (1) To invent, make, manufacture, purchase or otherwise acquire, buy, sell, hire, lease, import, export, deal in or with, operate or otherwise use at any place or places within or without the United States, aircraft, airplanes, airships, machines, rockets, spacecraft, flying apparatus and other contrivances or devices for aerial or space operation or navigation of any and every kind and description and any future improvements or developments of the same (all of the aforesaid contrivances or devices hereinafter described as "aircraft").
- (2) To manufacture, buy, sell, hire, lease, import, export, deal in or with, operate or otherwise use motors, engines or other machinery or devices, of every kind and description, for the generation of power for the operation of said aircraft, and all machinery, appliances, tools, supplies or other equipment or paraphernalia used or capable of being used in the construction, maintenance, repair and operation of same.
- (3) To operate, use or navigate for profit or otherwise any and all of the said aircraft, machines and motors previously described for the carriage and transportation of persons, property, express, freight and mail for all kinds of private, commercial or governmental purposes, at any place within or without the United States.
- (4) To apply for, obtain, register, purchase, lease or otherwise acquire, and to hold, use, own and operate under, and to sell, assign and otherwise deal in and dispose of, any trade-marks, trade-names, patents and applications for patent, copyrights, licenses, improvements, processes and secret formulae used in connection with, or secured under, letters patent of the United States or of other jurisdictions or countries, and whether or not in any way relating to any of the businesses aforesaid, to use, exercise, grant licenses in respect of or otherwise turn to account any such trade-marks, patents, copyrights, licenses, processes and the like.
- (5) To acquire, buy, purchase, lease, own, hold, sell, mortgage and encumber improved and unimproved real estate wherever situate, and to construct and erect thereon and to operate and carry on the business of factories, works, plants, stores, mills, hotels, houses and buildings.

(6) To purchase or otherwise acquire and to hold, sell, pledge or otherwise dispose of all forms of securities, including stocks, bonds, debentures, notes, certificates of indebtedness, certificates of interest, mortgages and other similar instruments and rights however issued or created, and to deal in and with the same and to issue in exchange therefor or in payment therefor its own stock, bonds or other obligations or securities, and to exercise in respect thereof any and all rights, powers and privileges of individual ownership or interest therein, including the right to vote thereon and to consent or otherwise act with respect thereto; to do any and all acts and things for the preservation, protection, improvement and enhancement in value thereof, or designed to accomplish any such purpose, and to aid by loan, subsidy, guaranty or in any other manner those issuing, creating or responsible for any such securities; to acquire or become interested in any such securities as aforesaid by original subscription, underwriting, participation in syndicates or otherwise, and to make payments thereon as called for and to underwrite or subscribe for the same conditionally or otherwise and either with a view to investment or for resale or for any other lawful purpose.

(7) To purchase or otherwise acquire, sell or otherwise dispose of, realize upon or otherwise turn to account, manage, liquidate or reorganize the properties, assets, business undertakings, enterprises or ventures or any part thereof of corporations, associations, firms, individuals, syndicates and others; to act as financial, commercial or general agent or representative of any corporation, association, firm, syndicate or individual, and as such to develop, improve and extend the property, trade and business interest thereof and to aid in any lawful enterprise in connection therewith, and in connection with acting as agent or broker for any principal to give any other aid or assistance.

(8) To borrow money and for monies borrowed or in payment for property acquired, or for any other objects and purposes of the corporation or otherwise in connection with the transaction of any part of its business, to issue bonds, debentures, notes and other obligations secured or unsecured and to mortgage, pledge or hypothecate any and all of its properties or assets as security therefor; to make, accept, endorse, guarantee, execute and issue notes, bills of exchange and other obligations; to mortgage, pledge or hypothecate any stocks, bonds, other evidences of indebtedness or securities and any other property held by it or in which it may be interested, and to loan money with or without collateral or other security; to guarantee the payment of dividends upon stocks or the principal of and/or interest upon bonds, notes or other evidences of indebtedness or obligations or the performance of the contracts or other undertakings of any corporation, partnership, syndicate or individual; to enter into, make and perform, contracts of every kind and for any lawful purpose with any person, firm, corporation or syndicate.

(9) To purchase or otherwise acquire all or any part of the business, goodwill, rights, property and assets and to assume or otherwise provide for all or any part of the liabilities of any corporation, association, partnership or individual; to take over as a going concern and continue any business so acquired; and to pay for any such business or properties in cash, stock, bonds, debentures or obligations of this corporation or otherwise.

(10) To manufacture, buy or otherwise acquire and to sell or otherwise dispose of, distribute, deal in and with, either as principal, agent, dealer or broker, goods, wares and merchandise of every kind and description, including all materials or substances now known or hereafter to be discovered or invented; to purchase or otherwise acquire and to sell or otherwise dispose of, distribute, deal in and with, either as principal, agent, dealer or broker, all kinds of personal property of every sort and description wheresoever situate and all interest therein which this corporation may deem necessary or convenient in connection with any part of its business.

(11) To conduct any and all of its business in the State of Delaware and any other states, the District of Columbia, the territories, colonies and dependencies of the United States, and in foreign countries and places, and to have one or more offices outside of the State of Delaware, and to purchase or otherwise acquire, hold, mortgage, convey, transfer, or otherwise dispose of, both within and without the State of Delaware, real and personal property.

(12) To do all and everything necessary, suitable, convenient or proper for the accomplishment of any of the purposes or the attainment of any or all of the objects hereinbefore enumerated or incidental to the powers herein named, or which shall at any time appear conducive to or expedient for the protection or benefit of the corporation, either as holder of or as interested in any property or otherwise; and to have all of the rights, power and privileges now or hereafter conferred by the General Corporation Laws of the State of Delaware.

The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the enumeration herein of specific objects and powers shall not be held to limit or restrict in any manner the general powers of this corporation, and all the powers and purposes hereinbefore enumerated shall be exercised, carried on and enjoyed by this corporation within and without the State of Delaware to such extent and in such manner as corporations organized under the General Corporation Laws of the State of Delaware may properly and legally exercise, carry on and enjoy.

Fourth: A. The total number of shares of capital stock which the corporation shall have authority to issue is One Hundred Seventy Million (170,000,000), of which One Hundred Fifty Million (150,000,000) shall be common stock of the par value of Three Dollars (\$3.00) per share (hereinafter called the "common stock") and Twenty Million (20,000,000) shall be preferred stock of the par value of One Dollar (\$1.00) per share (hereinafter called the "preferred stock").

B. The preferred stock may be issued from time to time by the corporation in one or more series, with such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock adopted by the board of directors of the corporation pursuant to authority to do so which is hereby vested in the board of directors. Each such series of preferred stock shall be distinctly designated. Except in respect of the particulars fixed by the board of directors for each series as permitted hereby, all shares of preferred stock shall be of equal rank and shall be identical. All shares of any one series of preferred stock so designated by the board of directors shall be alike in every particular, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative. The voting rights, if any, of each such series and the preferences and relative, participating, optional and other special rights of each such series and the qualifications, limitations and restrictions thereof, if any, may differ from those of any and all other series at any time outstanding; and the board of directors of the corporation is hereby expressly granted authority to fix, by resolutions duly adopted prior to the issuance of any shares of a particular series of preferred stock so designated by the board of directors, the voting powers of stock of such series, if any, and the designations, preferences and relative, participating, optional and other special rights and the qualifications, limitations and restrictions thereof, if any, for such series, including without limitation the following:

(1) The distinctive designation of and the number of shares of preferred stock which shall constitute such series; provided that such number may be increased (except where otherwise provided by the board of directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the board of directors;

(2) The rate and time at which, and the terms and conditions upon which, dividends, if any, on preferred stock of such series shall be paid, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other series of preferred stock or any other class of stock of the corporation and whether such dividends shall be cumulative or non-cumulative;

(3) The right, if any, of the holders of preferred stock of such series to convert the same into, or exchange the same for, shares of any other class of stock or any series of any class of stock of the corporation and the terms and conditions of such conversion or exchange;

(4) Whether or not preferred stock of such series shall be subject to redemption, and the redemption price or prices and the time or times at which, and the terms and conditions upon which, preferred stock of such series may be redeemed;

(5) The rights, if any, of the holders of preferred stock of such series upon the voluntary or involuntary liquidation of the corporation;

(6) The terms of the sinking fund or redemption or purchase account, if any, to be provided for the preferred stock of such series; and

(7) The voting powers, if any, of the holders of such series of preferred stock which may, without limiting the generality of the foregoing, include the right, voting as a series by itself or together with any other series of the preferred stock as a class, (i) to vote more or less than one vote per share on any or all matters voted upon by the stockholders and (ii) to elect one or more directors of the corporation if there has been a default in the payment of dividends on any one or more series of the preferred stock or under such other circumstances and upon such other conditions as the board of directors may fix.

C. Except as otherwise provided in this Certificate of Incorporation, and in addition to the powers conferred on the board of directors by Article Thirteenth of this Certificate of Incorporation, the board of directors shall have authority to authorize the issuance, from time to time, without any vote or other action by the stockholders, of any or all shares of stock of the corporation of any class or series at any time authorized, and any securities convertible into or exchangeable for any such shares, and any options, rights or warrants to purchase or acquire any such shares, in each case to such persons and on such terms (including as a dividend or distribution on or with respect to, or in connection with a split or combination of, the outstanding shares of stock of the same or any other class or series) as the board of directors from time to time in its discretion lawfully may determine; provided, that the consideration for the issuance of shares of stock of the corporation (unless issued as such a dividend or distribution or in connection with such a split or combination) shall not be less than the par value of such shares. Shares so issued shall be fully paid stock, and the holders of such stock shall not be liable to any further call or assessments thereon.

Fifth: No holder of the capital stock of this corporation shall have any preemptive or preferential right of subscription to any shares of stock of the corporation now or hereafter authorized or issued.

Sixth: The names and places of residence of the incorporators are as follows:

<i>Name</i>	<i>Place of Residence</i>
B. J. Consono	Wilmington, Delaware
F. J. Obara, Jr.	Wilmington, Delaware
A. D. Grier	Wilmington, Delaware

Seventh: The existence of the corporation is to be perpetual.

Eighth: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Ninth: The number of directors of the corporation shall be fixed from time to time by, and in the manner provided in, its By-Laws and may be increased or decreased as therein provided; but the number thereof shall

consist of not less than five nor more than nineteen directors who shall be stockholders of the corporation.

The directors of the corporation shall be elected annually by the stockholders and shall hold office until the next annual meeting of stockholders and until their respective successors are duly elected and qualified.

In the case of any increase in the number of directors of the corporation, the additional directors shall be elected as shall be provided in said By-Laws by the board of directors or by the holders of shares of stock of the corporation entitled to vote in respect thereof at an annual or special meeting of said holders.

In case of any vacancy in the board of directors, however occasioned, a successor to fill the vacancy shall be elected in the manner provided in the By-Laws of the corporation.

A majority of the whole board of directors may appoint from the directors an executive committee; and to such extent as shall be provided in a resolution of the said board or in the By-Laws, such committee shall have and may exercise all or any of the powers of the board of directors, including power to cause the seal of the corporation to be affixed to all the papers that may require it.

A majority of the whole board of directors may appoint a finance committee and any other standing committees, and any such committee shall have and may exercise such powers as shall be conferred or authorized by the By-Laws or by the board of directors.

The By-Laws of the corporation shall designate the officers of the corporation, which shall include, but not necessarily be limited to, a president, a secretary and a treasurer, to be elected by the directors or the stockholders, and the manner in which the officers of the corporation shall be elected or appointed.

Any officer elected by the board of directors may be removed at any time by the board of directors. Any other officer or employee of the corporation may be removed at any time by the board of directors, or by any committee or superior officer upon whom such power of removal may be conferred by the By-Laws or by the board of directors.

The board of directors, irrespective of any personal interest of any members of the board, shall have authority, by resolution passed by a majority of the whole board, to establish reasonable compensation of directors for service to the corporation as directors, officers or otherwise.

Tenth: The corporation shall to the full extent permitted by law indemnify, reimburse, or pay any person (including such person's executor, administrator, or other personal representatives) for all liabilities (including, but not limited to, reasonable costs, expenses, attorneys' fees, and obligations for payment in settlement and final judgment) incurred by or imposed upon him in the preparation, conduct or compromise, or as a result, of any actual or threatened action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any appeals therefrom and any collateral proceedings, in which he shall be involved by reason of the fact that he is or was serving as a director, officer, or employee of the

corporation, or, that such director, officer, or employee, at the request of the corporation, is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, in any capacity.

Eleventh: The board of directors may adopt By-Laws and, from time to time, may amend or repeal any By-Laws; but any By-Law adopted or amended by the board of directors may be amended or repealed by the stockholders at any annual meeting or at any special meeting, provided that notice of such proposed amendment or repeal be included in the notice of the meeting.

Twelfth: Meetings of the stockholders may be held outside the State of Delaware if the By-Laws so provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the By-Laws of the corporation.

The board of directors from time to time shall determine whether and to what extent, and at what times and places and under what conditions and regulations the accounts and books of the corporation, or any of them shall be open to the inspection of the stockholders, and no stockholders shall have the right to inspect any account or book or document of the corporation except as conferred by law or authorized by the board of directors or by the stockholders.

Thirteenth: The directors may from time to time declare and pay such dividends as they shall deem advisable and proper, subject to such restrictions as may be imposed by law.

The board of directors is hereby specifically empowered to authorize the issuance of and to issue in any lawful manner, without limitation and from time to time within the total number of shares authorized by these Articles, shares of its stock for such considerations, not less than the par value thereof, as the board of directors may deem advisable.

The board of directors shall have power to issue bonds, debentures or other obligations, whether nonconvertible or convertible into the corporation's stock, upon such terms, in such manner and under such conditions in conformity with law as may be fixed by the board of directors prior to the issuance of such bonds, debentures or other obligations.

Fourteenth: The powers and authorities hereinbefore conferred upon the board of directors are in furtherance of, and not in limitation of, those conferred by the laws of the State of Delaware.

Fifteenth: The corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

Sixteenth: The stockholders of the corporation may take action by written consent only if such consent is unanimous. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the

affirmative vote of the holders of at least 75% of the votes entitled to be cast by the holders of all the then outstanding shares of the corporation entitled to vote generally on the election of directors, voting together as a single class, shall be required to alter, amend or repeal this Article Sixteenth or to adopt any provision inconsistent herewith.

Seventeenth: A. Any "Business Combination" (as hereafter defined) with, or proposed by or on behalf of, any "Related Person" (as hereafter defined) shall require approval by the affirmative vote of both (i) not less than 75% of the votes entitled to be cast by the holders of all the then outstanding shares of "Voting Stock" (as hereafter defined), voting together as a single class, and (ii) a majority of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, excluding Voting Stock that is beneficially owned by such Related Person. Such affirmative vote shall be required in addition to any other vote that may be required, and notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law, this Certificate of Incorporation, the By-Laws of the corporation, or in any agreement with any national securities exchange or otherwise. Notwithstanding the foregoing, the voting requirements of this paragraph A shall not be applicable if:

1. The "Continuing Directors" (as hereafter defined) by a majority vote shall have expressly approved the Business Combination; or
2. The Business Combination involves the payment of consideration to the stockholders of the corporation, and all of the following conditions are met:

(a) The consideration to be received per share by holders of each class or series of "Capital Stock" (as hereafter defined) shall be in the form of "Fair Consideration" (as hereafter defined) and the aggregate amount of the "Fair Market Value" (as hereafter defined), as of the date of the consummation of the Business Combination, of such consideration to be received per share shall be in an amount not less than the highest of:

(i) the Fair Market Value of the highest per share consideration (with appropriate adjustments for recapitalizations, stock splits, stock dividends and like distributions) paid by or on behalf of the Related Person in acquiring beneficial ownership of any shares of such class or series of Capital Stock during the two-year period prior to the date of the first public announcement of the proposed Business Combination (the "Announcement Date") or, if higher, in the transaction in which it became a Related Person;

(ii) the "Market Price" (as hereafter defined) per share (with appropriate adjustments for recapitalizations, stock splits, stock dividends and like distributions) of such class or series of Capital Stock on the Announcement Date or on the date on which the Related Person became a Related Person, whichever is higher; and

(iii) if applicable, the highest preferential amount per share to which the holders of shares of such class or series of Capital Stock would be entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation, regardless of whether the proposed Business Combination constitutes such an event.

(b) After the date on which the Related Person became a Related Person and prior to the consummation of the proposed Business Combination, except as approved by a majority of the Continuing Directors, there shall not have been (i) any failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any outstanding Capital Stock; (ii) any reduction in the annual rate of dividends paid on the common stock (except as necessary to reflect any stock split, stock dividend or subdivision of the common stock); (iii) any failure to increase the annual rate of dividends paid on the common stock as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or similar transaction that has the effect of reducing the number of outstanding shares of common stock; or (iv) any increase in the number of shares of any class or series of Capital Stock beneficially owned by the Related Person except as part of the transaction that resulted in such Related Person becoming a Related Person and except in a transaction that, after giving effect thereto, would not result in any increase in the Related Person's percentage beneficial ownership of any class or series of Capital Stock.

(c) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder or any subsequent provisions replacing or amending such act, rules or regulations (the "Act") shall be mailed to all stockholders of the corporation at least 30 days prior to the consummation of such Business Combination (whether or not such mailing is required pursuant to the Act). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability (or inadvisability) of the Business Combination that the Continuing Directors, or any of them may choose to make and, if deemed advisable by a majority of the Continuing Directors, the opinion of an investment banking firm selected by a majority of the Continuing Directors as to the fairness (or not) of the terms of the Business Combination from a financial point of view to the holders of the outstanding shares of Capital Stock other than the Related Person, such investment banking firm to be paid a reasonable fee for its services by the corporation.

(d) After the date on which the Related Person became a Related Person and prior to the consummation of the proposed Business Combination, such Related Person shall not have made or caused any major change in the corporation's business or equity capital structure without the approval of a majority of the Continuing Directors.

B. For the purpose of this Article SEVENTEENTH:

1. The term "Business Combination" shall mean:

(a) any merger or consolidation of the corporation or any "Subsidiary" (as hereafter defined) with, into, or for the benefit of any Related Person;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture participation or other arrangement (in one transaction or a series of transactions) involving the corporation or a Subsidiary which is with or for the benefit of any Related Person and which involves a "Substantial Part" (as hereafter defined) or all of the assets, securities or commitments of the corporation, any Subsidiary or any Related Person;

(c) any recapitalization of the corporation or reclassification of its securities (including any reverse stock split), or any merger or consolidation of the corporation with any Subsidiary, or any other transaction (whether or not with or otherwise involving a Related Person) that would have the effect of increasing the proportionate share of any class or series of Capital Stock, or any securities convertible into Capital Stock or into equity securities of any Subsidiary, beneficially owned by any Related Person;

(d) the adoption of any plan or proposal for the liquidation or dissolution of the corporation; and

(e) any agreement, contract or other arrangement providing for any of the transactions described in the foregoing subparagraphs (a) to (d).

2. The term "Market Price" shall mean the closing sale price on the date in question of a share of the class or series of stock in question on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Act on which such stock is listed, or, if such stock is not listed on any such exchange, the closing sale (or if sale prices are not available, bid) quotation with respect to a share of such stock on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar system then in use, or, if such quotation is not available, the fair market value on the date in question of a share of such stock as determined in good faith by a majority of the Continuing Directors.

3. The term "Fair Market Value" shall mean (a) in the case of cash, the amount of such cash, (b) in the case of stock, the Market Price thereof, and (c) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined in good faith by a majority of the Continuing Directors.

4. The term "person" shall mean any individual, firm, company or other entity.

5. The term "Related Person" shall mean and include any person which, by itself or together with any other person pursuant to any agree-

ment, arrangement or understanding, either directly or indirectly, and/or together with its or their "Affiliates" or "Associates" (as defined in Rule 12b-2 under the Act as such Rule is in effect on July 25, 1985), (a) is or has announced or publicly disclosed a plan or intention to become the beneficial owner of, in the aggregate, shares representing 10% or more of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, or (b) is an assignee of the beneficial ownership of any shares of Voting Stock of which a person described in subparagraph (a) hereof was the beneficial owner at any time within the two-year period immediately preceding the date a Business Combination is proposed; and any Affiliate or Associate of any such Related Person. The term "Related Person" shall not include the corporation or any Subsidiary or any profit sharing, employee stock ownership or other employee benefit plan of the corporation or any Subsidiary or any trustee or fiduciary with respect to any such Plan when acting in such capacity. The date on which any person or any Affiliate or Associate of such person became a Related Person shall be deemed to be the earliest date on which such person or any of its Affiliates or Associates became a Related Person.

6. For purposes of this Article SEVENTEENTH, a person shall be deemed to beneficially own any Capital Stock:

(a) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(b) which such person or any of its Affiliates or Associates has, directly or indirectly, (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right, alone or together with any other person, to vote pursuant to any agreement, arrangement or understanding; or

(c) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock.

For the purpose of determining whether a person is a Related Person, the number of shares of Capital Stock deemed to be outstanding shall include shares deemed beneficially owned by such person through application of this paragraph 6, but shall not include any other shares of Capital Stock that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

Any person shall be deemed to have become the beneficial owner of shares of Capital Stock on the date on which it or any of its Affiliates or Associates became the beneficial owner of such shares of Capital Stock.

7. The term "Substantial Part" shall mean any aggregate of assets, securities and commitments having a Fair Market Value equal to or greater than the lesser of (a) \$15,000,000, or (b) (in the case of any transaction involving assets, securities or commitments other than stock) 5% of the book value of the total assets of the entity in question, or (c) (in the case

of transactions involving stock) 5% of the stockholders' equity of the entity in question, in either case as of the end of the entity's most recent fiscal year ending prior to the time the determination is being made.

8. The term "Fair Consideration" as applied to the consideration to be received by holders of shares of a particular class or series of outstanding Capital Stock means consideration in cash or in the same form as was paid by or on behalf of the Related Person to acquire beneficial ownership of shares of such class or series of Capital Stock within the two-year period ending on and including the date on which the Related Person became a Related Person. If, within such two-year period, the consideration so paid for shares of any class or series of Capital Stock varied as to form, then Fair Consideration shall mean either cash or the form of consideration used to acquire beneficial ownership of the largest number of shares of such class or series of Capital Stock acquired by or on behalf of the Related Person within such two-year period.

9. The term "Subsidiary" shall mean any company in which the corporation owns shares of stock representing a majority of the voting power of shares entitled to vote generally on the election of directors.

10. The term "Capital Stock" shall mean the capital stock of the corporation authorized to be issued from time to time under Article FOURTH of this Certificate of Incorporation.

11. The term "Voting Stock" shall mean Capital Stock entitled to vote generally on the election of directors.

12. The term "Continuing Director" shall mean (a) a director who was a member of the board of directors of the corporation either on July 25, 1985, or immediately prior to the time that the Related Person became a Related Person, and (b) any person becoming a director whose election, or nomination for election by the corporation's stockholders, was approved by a vote of a majority of the Continuing Directors referred to in subparagraph (a); provided, however, that in no event shall a Related Person involved in a Business Combination or any of its representatives be deemed to be a Continuing Director.

C. For the purposes of this Article SEVENTEENTH, the Continuing Directors by a majority vote shall have the power and the duty to make a good faith determination, on the basis of information known to them, of: (i) whether any person is a Related Person; (ii) the number of shares of Capital Stock of which any person is the beneficial owner; (iii) whether a person is an Affiliate or Associate of another; (iv) whether the assets, securities or commitments that are the subject of any Business Combination constitute a Substantial Part; (v) whether any business transaction is a Business Combination with, or proposed by or on behalf of, a Related Person; (vi) whether the cash or other consideration to be received per share by holders of Capital Stock other than the Related Person in a Business Combination is an amount at least equal to the highest price required to be paid under paragraph A of this Article SEVENTEENTH and constitutes Fair Consideration; (vii) what is the Market Price or Fair Market Value and whether a price is above the Market Price or Fair Market Value; and (viii) any other matters with respect to which a determi-

nation is required under this Article SEVENTEENTH. Any such determination made in good faith shall be binding and conclusive on all parties.

D. Nothing contained in this Article SEVENTEENTH shall be construed to relieve any Related Person from any fiduciary obligation imposed by law.

E. The fact that any proposed Business Combination complies with the provisions of paragraph A of this Article SEVENTEENTH shall not be construed to impose any fiduciary duty, obligation or responsibility on the board of directors or any member thereof to approve such Business Combination or recommend its adoption or approval to the stockholders of the corporation, nor shall such compliance limit, prohibit or otherwise restrict in any manner the board of directors or any member thereof with respect to evaluations or actions and responses taken with respect to such Business Combination.

F. Any other provision of this Certificate of Incorporation or the By-Laws of the corporation notwithstanding, and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-Laws of the corporation, any proposal to amend or repeal any provision of this Article SEVENTEENTH and any other proposal to amend this Certificate of Incorporation which is inconsistent with any of the provisions set forth in this Article SEVENTEENTH shall require approval by the affirmative vote of not less than 75% of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, and, if such proposal is made by or on behalf of a Related Person, the affirmative vote of a majority of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, excluding Voting Stock that is beneficially owned by such Related Person; provided, however, that the vote referred to in this paragraph F shall not be required for any amendment, repeal or adoption unanimously recommended by the board of directors and, if such proposal is made by or on behalf of a Related Person, such recommendation by the board of directors is made at a time when a majority of the directors are Continuing Directors.

Eighteenth: No director shall be personally liable to the corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director, except (i) for breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Eighteenth shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF SERIES A PREFERRED STOCK**

of

DELTA AIR LINES, INC.

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, David C. Garrett, Jr., Chairman of the Board and Chief Executive Officer, and James W. Callison, Secretary, of Delta Air Lines, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, in accordance with the provisions of Section 103 thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the said Corporation, the said Board of Directors on October 23, 1986, adopted the following resolution creating a series of 1,000,000 shares of Preferred Stock designated as Series A Junior Participating Preferred Stock:

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation be, and it hereby is, created and classified, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. *Designation and Amount.* The shares of such series shall be designated as "Series A Junior Participating Preferred Stock," par value \$1.00 per share, and the number of shares constituting such series shall be 1,000,000.

Section 2. *Dividends and Distributions.*

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$5.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other

than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$3.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after October 23, 1986 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$5.00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a

share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. *Voting Rights.* The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock,

if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or *pari passu* with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the Chief Executive Officer, Chief Operating Officer, or any Senior Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders

of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Directors whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action. As used in this Section 3, "Preferred Stock" shall not include or be construed to encompass any other class or series of preferred stock of the Corporation unless the certificate of designations, preferences and rights of such other class or series expressly so states.

Section 4. *Certain Restrictions.*

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to

dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. *Reacquired Shares.* Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. *Liquidation, Dissolution or Winding Up.*

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$100.00 per share, plus an amount equal to accrued and

unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect, immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. *Consolidation, Merger, etc.* In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of

stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. *No Redemption.* The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. *Ranking.* The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. *Amendment.* The Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. *Fractional Shares.* Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holders fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate and do affirm the foregoing as true under the penalties of perjury this 7th day of November, 1986.

/s/ DAVID C. GARRETT, JR.
Name: David C. Garrett, Jr.
Title: Chairman of the Board
and Chief Executive Officer

ATTEST:

/s/ JAMES W. CALLISON
Name: James W. Callison
Title: Secretary

**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF SERIES B ESOP
CONVERTIBLE PREFERRED STOCK**

of

DELTA AIR LINES, INC.

Pursuant to Section 151 of the General Corporation
Law of the State of Delaware

We, Ronald W. Allen, Chairman of the Board and Chief Executive Officer, and James W. Callison, Secretary, of Delta Air Lines, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 103 thereof,

DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the said Corporation, the said Board of Directors on July 10, 1989, has adopted the following resolution creating a series of 6,944,450 shares of Preferred Stock, par value \$1.00 per share, designated as Series B ESOP Convertible Preferred Stock:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation, par value \$1.00 per share, be and it hereby is, created and classified, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

**SECTION 1. *Designation, Amount and Stated Value; Special Purpose
Restricted Transfer Issue.***

(A) The shares of such series shall be designated as "Series B ESOP Convertible Preferred Stock" (such series being hereinafter sometimes called the "Series B Preferred Stock"), the number of shares constituting such series shall initially be 6,944,450 and the stated value of each share of Series B Preferred Stock shall be \$72.00.

(B) Shares of Series B Preferred Stock shall be issued only to Harris Trust and Savings Bank, as trustee, or any successor trustee (the "Trustee"), of the Delta Family-Care Savings Plan of the Corporation, as amended from time to time, or any successor or replacement plan (the "Plan"). In the event of any transfer of shares of Series B Preferred Stock to any person other than the Trustee, the shares of Series B Preferred Stock so transferred, upon such transfer and without any further action by the Corporation or the holder thereof, shall be automatically converted into shares of Common Stock (as defined in paragraph (B) of *Section 10* hereof)

on the terms otherwise provided for the conversion of shares of Series B Preferred Stock into shares of Common Stock pursuant to Section 5 hereof and no such transferee shall have any of the voting powers, preferences and relative, participating, optional or special rights ascribed to shares of Series B Preferred Stock hereunder but, rather, only the powers and rights pertaining to the Common Stock into which such shares of Series B Preferred Stock shall have been so converted. In the event of such a conversion, the transferee of the shares of Series B Preferred Stock shall be treated for all purposes as the record holder of the shares of Common Stock into which such shares of Series B Preferred Stock have been automatically converted as of the date of such transfer. Certificates representing shares of Series B Preferred Stock shall bear a legend to reflect the foregoing provisions. Notwithstanding the foregoing provisions of this paragraph 1(B), shares of Series B Preferred Stock (i) may be converted into shares of Common Stock as provided by Section 5 hereof and the shares of Common Stock issued upon such conversion may be transferred by the holder thereof as permitted by law and (ii) shall be redeemable by the Corporation upon the terms and conditions provided by Sections 6 and 7 hereof.

SECTION 2. *Dividends and Distributions.*

(A) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefor, dividends payable in cash ("Preferred Dividends") at the rate per share of 6% per annum of the stated value of such shares. Preferred Dividends will be payable semi-annually on the 28th day of June and December in each year (each a "Dividend Payment Date") commencing on December 28, 1989, to holders of record on the tenth Business Day (as defined in paragraph (H) of Section 8 hereof) preceding such Dividend Payment Date (the "Dividend Record Date"). In the event that any Dividend Payment Date shall fall on any day other than a Business Day, the dividend payment due on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date. Preferred Dividends shall begin to accrue on outstanding shares of Series B Preferred Stock from the date of issuance of such shares of Series B Preferred Stock. Preferred Dividends shall accrue on a daily basis whether or not during such semi-annual period there shall be funds legally available therefor, but Preferred Dividends accrued on the shares of Series B Preferred Stock for any period less than a full semi-annual period between Dividend Payment Dates (or, in the case of the first dividend payment, from the date of issuance of the shares of Series B Preferred Stock through the first Dividend Payment Date) shall be computed on the basis of a 360-day year of 30-day months. Accrued but unpaid Preferred Dividends shall cumulate as of the Dividend Payment Date on which they first become payable, but no interest shall accrue on accumulated but unpaid Preferred Dividends. Dividends paid on the shares of Series B Preferred Stock in an amount less than the total amount of such dividends at the time accrued

and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding.

(B) So long as any shares of Series B Preferred Stock shall be outstanding, no dividend shall be declared or paid or set apart for payment on any other series of stock ranking on a parity with the Series B Preferred Stock as to dividends, unless there shall also be or have been declared and paid or set apart for payment on the Series B Preferred Stock dividends for all dividend payment periods of the Series B Preferred Stock ending on or before the dividend payment date of such parity stock, ratably in proportion to the respective amounts of dividends accumulated and unpaid through such dividend period on the Series B Preferred Stock and accumulated and unpaid on such parity stock through the dividend payment period on such parity stock next preceding such dividend payment date. In the event that full cumulative dividends on the Series B Preferred Stock have not been declared and paid or set apart for payment when due, the Corporation shall not declare or pay or set apart for payment any dividends or make any other distributions on, or make any payment on account of the purchase, redemption or other retirement of any other class of stock or series thereof of the Corporation ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock until full cumulative dividends on the Series B Preferred Stock shall have been paid or declared and set apart for payment; *provided, however*, that the foregoing shall not apply to (i) any dividend payable solely in any shares of any stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding-up of the Corporation, junior to the Series B Preferred Stock or (ii) the acquisition of shares of any stock ranking, as to dividends or as to distributions in the event of a liquidation, dissolution or winding up of the Corporation, junior to the Series B Preferred Stock in exchange solely for shares of any other stock ranking, as to dividends and as to distributions in the event of a liquidation, dissolution or winding-up of the Corporation, junior to the Series B Preferred Stock.

SECTION 3. *Voting Rights.*

(A) The holders of shares of Series B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the stockholders of the Company, voting together with the holders of Common Stock as one class. The holder of each share of Series B Preferred Stock shall be entitled to one vote for each share of Series B Preferred Stock held by such holder; *provided, however*, that if such number of votes per share of Series B Preferred Stock would violate applicable rules and regulations of the Securities and Exchange Commission (the "SEC") or the New York Stock Exchange, Inc. (the "NYSE"), then the number of votes per share of Series B Preferred Stock shall be the highest vote then permitted by such rules and regulations; it being understood that whenever the "Conversion Price" (as defined in Section 5 hereof) is adjusted as provided in Section 8 hereof (other than an adjustment pursuant to paragraph 8(A)), the number of

votes per share of Series B Preferred Stock shall be adjusted in inverse proportion to the adjustment to the Conversion Price. Notwithstanding the foregoing, no adjustment in the number of votes per share of Series B Preferred Stock shall be made to the extent that such adjustment would result in voting rights per share of Series B Preferred Stock which would violate the applicable rules and regulations of the SEC or the NYSE.

(B) Except as otherwise required by law or set forth herein, holders of Series B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for the taking of any corporate action; *provided, however*, that the vote of at least 66⅔% of the outstanding shares of Series B Preferred Stock, voting separately as a series, shall be necessary to adopt any alteration, amendment or repeal of any provision of the Certificate of Incorporation of the Corporation, as amended or this Resolution (including any such alteration, amendment or repeal effected by any merger or consolidation in which the Corporation is the surviving or resulting corporation), if such amendment, alteration or repeal would alter or change the powers, preferences, or special rights of the shares of Series B Preferred Stock so as to affect them adversely.

SECTION 4. *Liquidation, Dissolution or Winding Up.*

(A) In the event of any liquidation, dissolution or winding up of the Corporation, voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive out of assets of the Corporation which remain after satisfaction in full of all valid claims of creditors of the Corporation and which are available for payment to stockholders, and subject to the rights of the holders of any stock of the Corporation ranking senior to or on a parity with the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, before any amount shall be paid to or distributed among the holders of Common Stock or any other shares ranking junior to the Series B Preferred Stock in respect of distributions upon liquidation, dissolution or winding up of the Corporation, liquidating distributions in the amount of \$72.00 per share, plus an amount equal to all accrued and unpaid dividends thereon to the date fixed for distribution, and no more. If upon any liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to the Series B Preferred Stock and any other stock ranking as to any such distribution on a parity with the Series B Preferred Stock are not paid in full, the holders of Series B Preferred Stock and such other stock shall share ratably in any distribution of assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount to which they are entitled as provided by the foregoing provisions of this paragraph 4(A), the holders of Series B Preferred Stock shall not be entitled to any further right or claim to any of the remaining assets of the Corporation.

(B) Neither the merger or consolidation of the Corporation with or into any other corporation, nor the merger or consolidation of any other

corporation with or into the Corporation, nor the sale, lease, exchange or other transfer of all or substantially all of the assets of the Corporation, shall be deemed to be a dissolution, liquidation or winding up of the affairs of the Corporation for purposes of this Section 4, but the holders of Series B Preferred Stock shall nevertheless be entitled in the event of any such merger or consolidation to the rights provided by Section 7 hereof.

(C) Written notice of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable to holders of Series B Preferred Stock in such circumstances shall be payable, shall be given by hand delivery, by courier, by standard form of telecommunication or by first class mail (postage prepaid), delivered, sent or mailed, as the case may be, not less than twenty (20) days prior to any payment date stated therein, to the holders of Series B Preferred Stock, at the address shown on the books of the Corporation or any transfer agent for the Series B Preferred Stock.

SECTION 5. *Conversion into Common Stock.*

(A) A holder of shares of Series B Preferred Stock shall be entitled, at any time prior to the close of business on the date fixed for redemption of such shares pursuant to Section 6 or 7 hereof, to cause any or all of such shares to be converted into shares of Common Stock, initially at a conversion price equal to \$86.40 per share of Common Stock, and which price shall be adjusted as provided in Section 8 hereof (and, as so adjusted, is hereinafter sometimes referred to as the "Conversion Price"), with each share of Series B Preferred Stock being valued at \$72.00 for such purpose (that is, a conversion rate initially equivalent to 0.8333 shares of Common Stock for each share of Series B Preferred Stock so converted, which is subject to adjustment (to the fourth decimal place) as the Conversion Price is adjusted as provided in Section 8 hereof); *provided, however*, that in no event shall the Conversion Price be lower than the par value, if any, of the Common Stock.

(B) Any holder of shares of Series B Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates representing the shares of Series B Preferred Stock being converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto), at the principal executive office of the Corporation or the offices of the transfer agent for the Series B Preferred Stock or such office or offices in the continental United States of an agent for conversion as may from time to time be designated by notice to the holders of the Series B Preferred Stock by the Corporation or the transfer agent for the Series B Preferred Stock, accompanied by written notice of conversion. Such notice of conversion shall specify (i) the number of shares of Series B Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for Common Stock and for any shares of Series B Preferred

Stock not to be so converted to be issued and (ii) the address to which such holder wishes new certificates issued upon such conversion to be delivered.

(C) Upon surrender of a certificate representing a share or shares of Series B Preferred Stock for conversion, the Corporation shall issue and send by hand delivery, by courier or by first class mail (postage prepaid), to the holder thereof or to such holder's designee, at the address designated by such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon conversion. In the event that there shall have been surrendered a certificate or certificates representing shares of Series B Preferred Stock, only part of which are to be converted, the Corporation shall issue and send to such holder or such holder's designee, in the manner set forth in the preceding sentence, a new certificate or certificates representing the number of shares of Series B Preferred Stock which shall not have been converted.

(D) The issuance by the Corporation of shares of Common Stock upon a conversion of shares of Series B Preferred Stock into shares of Common Stock made at the option of the holder thereof shall be effective as of the earlier of (i) the delivery to such holder or such holder's designee of the certificates representing the shares of Common Stock issued upon conversion thereof or (ii) the commencement of business on the second Business Day after the surrender of the certificate or certificates for the shares of Series B Preferred Stock to be converted, duly assigned or endorsed for transfer to the Corporation (or accompanied by duly executed stock powers relating thereto) and accompanied by all documentation required to effect the conversion, as herein provided. On and after the effective date of conversion, the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock, but no allowance or adjustment shall be made in respect of dividends payable to holders of record of Common Stock as of any period prior to such effective date. The Corporation shall not be obligated to pay any dividends which shall have been declared and shall be payable to holders of shares of Series B Preferred Stock on a Dividend Payment Date if the Dividend Record Date for such dividend is subsequent to the effective date of conversion of such shares.

(E) The Corporation shall not be obligated to deliver to holders of Series B Preferred Stock any fractional share or shares of Common Stock issuable upon any conversion of such shares of Series B Preferred Stock, but in lieu thereof may make a cash payment in respect thereof in any manner permitted by law.

(F) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for issuance upon the conversion of shares of Series B Preferred Stock as herein provided, free from any preemptive rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. Nothing contained herein shall preclude the Corporation from issuing shares of Common Stock held in its treasury upon the conversion of shares of Series B Preferred Stock into

Common Stock pursuant to the terms hereof. The Corporation shall prepare and shall use its best efforts to obtain and keep in force such governmental or regulatory permits or other authorizations as may be required by law, and shall comply with all requirements as to registration or qualification of the Common Stock, in order to enable the Corporation lawfully to issue and deliver to each holder of record of Series B Preferred Stock such number of shares of its Common Stock as shall from time to time be sufficient to effect the conversion of all shares of Series B Preferred Stock then outstanding and convertible into shares of Common Stock.

SECTION 6. *Redemption At the Option of the Corporation.*

(A) The Series B Preferred Stock shall be redeemable, (i) in whole or in part, at the option of the Corporation at any time after July 10, 1992, or (ii) at any time after the date of issuance as provided by paragraph (E) of this Section 6, at the following redemption prices per share:

<u>During the Twelve-Month Period Beginning July 10,</u>	<u>Price Per Share</u>
1989	\$76.32
1990	75.89
1991	75.46
1992	75.02
1993	74.59
1994	74.16
1995	73.73
1996	73.30
1997	72.86
1998	72.43

and thereafter at \$72.00 per share, plus, in each case, an amount equal to all accrued and unpaid dividends thereon to the date fixed for redemption. Payment of the redemption price shall be made by the Corporation in cash or shares of Common Stock, or a combination thereof, as permitted by paragraph (H) of this Section 6. From and after the date fixed for redemption, dividends on shares of Series B Preferred Stock called for redemption will cease to accrue, such shares of Series B Preferred Stock will no longer be deemed to be outstanding and all rights in respect of such shares of Series B Preferred Stock shall cease, except the right to receive the redemption price. If less than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the Corporation shall either redeem a portion of the shares of Series B Preferred Stock of each holder determined pro rata based on the number of shares of Series B Preferred Stock held by each holder or shall select the shares of Series B Preferred Stock to be redeemed by lot, as may be determined by the Board of Directors of the Corporation.

(B) In the event shares of Series B Preferred Stock are called for redemption as provided in this Section 6 (other than *paragraph (G)* of this Section 6), unless otherwise required by law, notice of redemption will be sent to the holders of Series B Preferred Stock at the address shown on the

books of the Corporation or any transfer agent for the Series B Preferred Stock by hand delivery, by courier, by standard form of telecommunication or by first class mail (postage prepaid) delivered, sent or mailed, as the case may be, not less than fifteen (15) days nor more than sixty (60) days prior to the date fixed for redemption. Each such notice shall state: (i) the date fixed for redemption; (ii) the total number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares of Series B Preferred Stock to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where certificates for such shares of Series B Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares of Series B Preferred Stock to be redeemed will cease to accrue on such date fixed for redemption; and (vi) the conversion rights of the shares of Series B Preferred Stock to be redeemed, the period within which conversion rights may be exercised, and the Conversion Price and number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock at the time. Upon surrender of a certificate for shares of Series B Preferred Stock so called for redemption (or redeemed pursuant to *paragraph (G)* of this Section 6) and not previously converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the date fixed for redemption and at the applicable redemption price set forth in this Section 6.

(C) Within thirty (30) days after the later of (i) the effective date, (ii) the enactment date or (iii) if the Corporation contests in good faith in a judicial or administrative proceeding the legality of the change referred to in this paragraph 6(C), the date such matter is finally determined (the time for appeal having expired and no appeal having been filed) against the Corporation, of a change in any statute, rule or regulation of the United States of America which has the effect of limiting or making unavailable to the Corporation all or any of the tax deductions for amounts paid (including dividends) on the shares of Series B Preferred Stock when such amounts are used as provided under Section 404(k)(2) of the Internal Revenue Code of 1986, as amended (the "Code") and in effect on the date shares of Series B Preferred Stock are initially issued, the Corporation may, in its sole discretion and notwithstanding anything to the contrary in paragraph (A) of this Section 6, elect to redeem any or all of such shares of Series B Preferred Stock for the amount payable in respect of such shares upon liquidation of the Corporation pursuant to Section 4 hereof.

(D) In the event that shares of Series B Preferred Stock are held by an employee benefit plan intended to qualify as an employee stock ownership plan within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended, and such plan does not so qualify, the Corporation may in its sole discretion and notwithstanding anything to the contrary in paragraph (A) of this Section 6, elect to redeem any or all of such shares of Series B Preferred Stock at a redemption price equal to the higher of (i) the amount payable in respect of the shares of Series B Preferred Stock being

redeemed upon liquidation of the Corporation pursuant to Section 4 hereof and (ii) the Fair Market Value (as defined in paragraph (H) of Section 8 hereof) of the shares of Common Stock which would be issuable upon the conversion of the shares of Series B Preferred Stock being redeemed, plus accrued and unpaid dividends on such shares of Series B Preferred Stock (the "Consideration Price").

(E) In the event that the Plan is terminated or the employee stock ownership plan component of the Plan pursuant to which the shares of Series B Preferred Stock are then held by the Trustee is eliminated from the Plan in accordance with its terms and notwithstanding anything to the contrary in paragraph (A) of this Section 6, the Corporation shall, as soon thereafter as practicable, call for redemption on the terms and conditions set forth in paragraphs (A) and (B) of this Section 6 all then outstanding shares of Series B Preferred Stock.

(F) Notwithstanding anything to the contrary in paragraph (A) of this Section 6, upon the termination of a Plan participant's employment with the Corporation, the Corporation may elect to redeem any or all shares of Series B Preferred Stock held for the account of such participant at a redemption price equal to the higher of (i) the amount payable in respect of the shares of Series B Preferred Stock being redeemed upon liquidation of the Corporation pursuant to Section 4 hereof and (ii) the Consideration Price.

(G) At any time and from time to time upon notice to the Corporation given not less than five (5) Business Days prior to the date fixed by the holder in such notice for the redemption pursuant to this paragraph 6(G), upon certification by such holder to the Corporation that the holder must provide for distributions to participants under, or must satisfy an investment election provided to participants in accordance with, the Plan, then shares of Series B Preferred Stock shall be redeemed by the Corporation, to the extent necessary for the holder to provide for such distributions or to satisfy such investment elections, at a redemption price equal to the higher of (i) the amount payable in respect of the Series B Preferred Stock being redeemed upon liquidation of the Corporation pursuant to Section 4 hereof and (ii) the Consideration Price.

(H) The Corporation, at its option, may make payment of the redemption price required upon redemption of shares of Series B Preferred Stock in cash or in shares of Common Stock, or in a combination of such shares and cash, any such shares of Common Stock to be valued for such purposes at their Fair Market Value.

SECTION 7. *Consolidation, Merger, etc.*

(A) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged solely for or changed, reclassified or converted solely into stock of any successor or resulting corporation (including the Corporation) that constitutes "qualifying employer securities" with respect to a holder of Series B

Preferred Stock within the meaning of Section 409(1) of the Code, and Section 407(d)(5) of the Employee Retirement Income Security Act of 1974, as amended, or any successor provisions of law, and, if applicable, for a cash payment in lieu of fractional shares, if any, the shares of Series B Preferred Stock of such holder shall, in connection with such consolidation, merger or similar business combination, be assumed by and shall become preferred stock of such successor or resulting corporation, having in respect of such corporation, insofar as possible, the same powers, preferences and relative, participating, optional or other special rights (including the redemption rights provided by Sections 6 and 7 hereof), and the qualifications, limitations or restrictions thereon, that the Series B Preferred Stock had immediately prior to such transaction, except that after such transaction each share of Series B Preferred Stock shall be convertible, otherwise on the terms and conditions provided by Section 5 hereof, into the number and kind of qualifying employer securities so receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction; *provided, however*, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then, unless by virtue of such transaction a holder of Common Stock who failed to exercise any rights of election would be entitled to receive only qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares, the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election (however, if the kind or amount of qualifying employer securities receivable upon such transaction is not the same for each non-electing share, then the kind and amount so receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by the plurality of the non-electing shares); and *provided further* that in the event the consideration receivable by such a holder of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any such rights of election consists solely of such qualifying employer securities and a cash payment, if applicable, in lieu of fractional shares, then the shares of Series B Preferred Stock shall be assumed by and become preferred stock of the successor or resulting corporation and shall be convertible after such transaction, all as provided in the portion of this paragraph 7(A) prior to the first proviso hereof. The rights of the Series B Preferred Stock as preferred stock of such successor or resulting corporation shall successively be subject to adjustments pursuant to

Sections 3 and 8 hereof after any such transaction as nearly equivalent as practicable to the adjustment provided for by such sections prior to such transaction. The Corporation shall not consummate any such merger, consolidation or similar transaction unless all then outstanding shares of Series B Preferred Stock shall be assumed and authorized by the successor or resulting corporation as aforesaid.

(B) In the event that the Corporation shall consummate any consolidation or merger or similar business combination, pursuant to which the outstanding shares of Common Stock are by operation of law exchanged for or changed, reclassified or converted into other stock or securities or cash or any other property, or any combination thereof, other than any such consideration which is constituted solely of "qualifying employer securities" (as referred to in paragraph (A) of this Section 7) and cash payments, if applicable, in lieu of fractional shares, outstanding shares of Series B Preferred Stock shall, without any action on the part of the Corporation or any holder thereof (but subject to paragraph (C) of this Section 7), be automatically converted by virtue of such merger, consolidation or similar transaction immediately prior to such consummation into the number of shares of Common Stock into which such shares of Series B Preferred Stock are convertible at such time so that each share of Series B Preferred Stock shall by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in like kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock are convertible immediately prior to such transaction; *provided, however*, that if by virtue of the structure of such transaction, a holder of Common Stock is required to make an election with respect to the nature and kind of consideration to be received in such transaction, which election cannot practicably be made by the holder of the shares of Series B Preferred Stock, then the shares of Series B Preferred Stock shall, by virtue of such transaction and on the same terms as apply to the holders of Common Stock, be converted into or exchanged for the aggregate amount of stock, securities, cash or other property (payable in kind) receivable by a holder of the number of shares of Common Stock into which such shares of Series B Preferred Stock could have been converted immediately prior to such transaction if such holder of Common Stock failed to exercise any rights of election as to the kind or amount of stock, securities, cash or other property receivable upon such transaction (provided that, if the kind or amount of stock, securities, cash or other property receivable upon such transaction is not the same for each non-electing share, then the kind and amount of stock, securities, cash or other property receivable upon such transaction for each non-electing share shall be the kind and amount so receivable per share by a plurality of the non-electing shares).

(C) In the event the Corporation shall enter into any agreement providing for any consolidation or merger or similar business combination described in paragraph (B) of this Section 7, or described in the first proviso in paragraph (A) of this Section 7 if by virtue of such transaction a holder

of Common Stock who failed to exercise any rights of election would be entitled to receive consideration consisting of other than qualifying employer securities and a cash payment, if applicable in lieu of fractional shares, then the Corporation shall as soon as practicable thereafter (and in any event at least thirteen (13) Business Days before consummation of such transaction) give notice of such agreement and the material terms thereof to each holder of shares of Series B Preferred Stock and each such holder shall have the right to elect, by written notice to the Corporation, to receive, upon consummation of such transaction (if and when such transaction is consummated), from the Corporation or the successor of the Corporation, in redemption and retirement of such Series B Preferred Stock, a cash payment equal to the higher of (i) the amount payable in respect of the shares of Series B Preferred Stock being redeemed pursuant to paragraph (A) of Section 6 hereof and (ii) the Consideration Price. No such notice of redemption shall be effective unless given to the Corporation prior to the close of business on the fifth Business Day prior to consummation of such transaction, unless the Corporation or the successor of the Corporation shall waive such prior notice, but any notice of redemption so given prior to such time may be withdrawn by notice of withdrawal given to the Corporation prior to the close of business on the fifth Business Day prior to consummation of such transaction.

SECTION 8. *Initial Adjustment; Anti-dilution Adjustments.*

(A) If the average of the last reported sales prices, regular way, per share of the Common Stock, as reported on the New York Stock Exchange Composite Tape for the five (5) consecutive NYSE trading days commencing on July 11, 1989 and ending on (and including) July 17, 1989 (the "Adjusted Price") is less than \$72.00 (the "Closing Price"), then the Conversion Price in effect on July 17, 1989 shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the Adjusted Price and the denominator of which is the Closing Price; *provided, however*, in no event shall the Adjusted Price be less than \$67. If the Conversion Price is otherwise adjusted prior to the adjustment provided for by this paragraph 8(A), the amounts of the Closing Price and \$67 specified above shall also be adjusted immediately prior to calculating any adjustment pursuant to this paragraph 8(A) by multiplying each such amount by a fraction, the numerator of which is the Conversion Price as of the close of business on July 17, 1989 (giving effect to such other adjustment(s)) and the denominator of which is the Conversion Price prior to such other adjustment(s).

(B) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, (i) pay a dividend or make a distribution in respect of the Common Stock in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, in each case whether by reclassification of shares, recapitalization of the Corporation (including a recapitalization

effected by a merger or consolidation to which Section 7 hereof does not apply) or otherwise, subject to *paragraphs (F) and (G)* of this Section 8, the Conversion Price in effect immediately prior to such action shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately before such event, and the denominator of which is the number of shares of Common Stock outstanding immediately after such event. An adjustment made pursuant to this paragraph 8(B) shall be given effect, upon payment of such a dividend or distribution, as of the record date for the determination of stockholders entitled to receive such dividend or distribution (on a retroactive basis) and in the case of a subdivision or combination shall become effective immediately as of the effective date thereof.

(C) In the event that the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue to holders of shares of Common Stock as a dividend or distribution, including by way of a reclassification of shares or a recapitalization of the Corporation, any right or warrant to purchase shares of Common Stock (but not including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock) at a purchase price per share less than the Fair Market Value of a share of Common Stock on the date of issuance of such right or warrant, then, subject to *paragraphs (F) and (G)* of this Section 8, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased at the Fair Market Value of a share of Common Stock at the time of such issuance for the maximum aggregate consideration payable upon exercise in full of all such rights or warrants, and the denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock that could be acquired upon exercise in full of all such rights and warrants.

(D) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, issue, sell or exchange shares of Common Stock (other than (i) pursuant to any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security convertible into or exchangeable for shares of Common Stock), (ii) any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation), (iii) pursuant to any employee or director incentive or benefit plan or arrangement, including any employment, severance or consulting agreement, or stockholder dividend reinvestment or stock purchase plan, of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted or (iv) pursuant to an agreement to issue, sell or exchange shares of Common Stock at a price per share at or above the Fair Market Value per share of Common Stock on the date such agreement was

executed) for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Fair Market Value of such shares on the date of issuance, sale or exchange, then, subject to paragraphs (F) and (G) of this Section 8, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (a) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (b) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of shares of Common Stock, and the denominator of which shall be the product of (x) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (y) the sum of the number of shares of Common Stock outstanding on such day plus the number of shares of Common Stock so issued, sold or exchanged by the Corporation. In the event the Corporation shall, at any time or from time to time while any shares of Series B Preferred Stock are outstanding, issue, sell or exchange any right or warrant to purchase or acquire shares of Common Stock (including as such a right or warrant any security issued after the date hereof which is convertible into or exchangeable for shares of Common Stock), other than any such issuance to holders of shares of Common Stock as a dividend or distribution (including by way of a reclassification of shares or a recapitalization of the Corporation), other than pursuant to any employee or director incentive or benefit plan or arrangement (including any employment, severance or consulting agreement) or stockholder dividend reinvestment or stock purchase plan of the Corporation or any subsidiary of the Corporation heretofore or hereafter adopted and other than an agreement to issue, sell or exchange shares of Common Stock at a price per share at or above the Fair Market Value per share of Common Stock on the date such agreement was executed, for a consideration having a Fair Market Value, on the date of such issuance, sale or exchange, less than the Non-Dilutive Amount (as hereinafter defined), then, subject to paragraphs (F) and (G) of this Section 8, the Conversion Price shall be adjusted by multiplying such Conversion Price by a fraction the numerator of which shall be the sum of (I) the Fair Market Value of all the shares of Common Stock outstanding on the day immediately preceding the first public announcement of such issuance, sale or exchange plus (II) the Fair Market Value of the consideration received by the Corporation in respect of such issuance, sale or exchange of such right or warrant plus (III) the Fair Market Value at the time of such issuance of the consideration which the Corporation would receive upon exercise in full of all such rights or warrants, and the denominator of which shall be the product of (i) the Fair Market Value of a share of Common Stock on the day immediately preceding the first public announcement of such issuance, sale or exchange multiplied by (ii) the sum of the number of shares of Common Stock outstanding on such day plus the maximum number of shares of Common Stock which could be acquired pursuant to such right or warrant at the time of the issuance, sale or exchange of such

right or warrant (assuming shares of Common Stock could be acquired pursuant to such right or warrant at such time).

(E) In the event the Corporation shall, at any time or from time to time while any of the shares of Series B Preferred Stock are outstanding, make an Extraordinary Distribution (as hereinafter defined) in respect of the Common Stock, whether by dividend, distribution, reclassification of shares or recapitalization of the Corporation (including a recapitalization or reclassification effected by a merger or consolidation to which Section 7 hereof does not apply) or effect a Pro Rata Repurchase (as hereinafter defined) of Common Stock, the Conversion Price in effect immediately prior to such Extraordinary Distribution or Pro Rata Repurchase shall, subject to *paragraphs (F) and (G)* of this Section 8, be adjusted by multiplying such Conversion Price by the fraction the numerator of which is the difference between (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Extraordinary Distribution or Pro Rata Repurchase multiplied by (y) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or the earlier of the ex-dividend date and the distribution date in the event of an Extraordinary Distribution, a portion of which is paid in cash and a portion of which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender or exchange offer which is a Pro Rata Repurchase, or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender or exchange offer, as the case may be, and (ii) the Fair Market Value of the Extraordinary Distribution or the aggregate purchase price of the Pro Rata Repurchase, as the case may be, and the denominator of which shall be the product of (a) the number of shares of Common Stock outstanding immediately before such Extraordinary Dividend or Pro Rata Repurchase minus, in the case of a Pro Rata Repurchase, the number of shares of Common Stock repurchased by the Corporation multiplied by (b) the Fair Market Value of a share of Common Stock on the day before the ex-dividend date with respect to an Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, or the earlier of the ex-dividend date and the distribution date in the event of an Extraordinary Distribution, a portion of which is paid in cash and a portion of which is paid other than in cash, or on the applicable expiration date (including all extensions thereof) of any tender offer which is a Pro Rata Repurchase or on the date of purchase with respect to any Pro Rata Repurchase which is not a tender offer, as the case may be. The Corporation shall send each holder of Series B Preferred Stock (i) notice of its intent to make any dividend or distribution and (ii) notice of any offer by the Corporation to make a Pro Rata Repurchase, in each case at the same time as, or as soon as practicable after, such offer is first communicated (including by announcement of a record date in accordance with the rules of any stock exchange on which the Common Stock is listed or admitted to trading) to

holders of Common Stock. Such notice shall indicate the intended record date and the amount and nature of such dividend or distribution, or the number of shares subject to such offer for a Pro Rata Repurchase and the purchase price payable by the Corporation pursuant to such offer, as well as the Conversion Price and the number of shares of Common Stock into which a share of Series B Preferred Stock may be converted at such time.

(F) Notwithstanding any other provisions of this Section 8, the Corporation shall not be required to make any adjustment to the Conversion Price unless such adjustment would require an increase or decrease of at least one percent (1%) in the Conversion Price. Any lesser adjustment shall be carried forward and shall be made no later than the time of, and together with, the next subsequent adjustment which, together with any adjustment or adjustments so carried forward, shall amount to an increase or decrease of at least one percent (1%) in the Conversion Price.

(G) If the Corporation shall make any dividend or distribution on the Common Stock or issue any Common Stock, other capital stock or other security of the Corporation or any rights or warrants to purchase or acquire any such security, which transaction does not result in an adjustment to the Conversion Price pursuant to the foregoing provisions of this Section 8, the Board of Directors of the Corporation may consider whether such action is of such a nature that an adjustment to the Conversion Price should equitably be made in respect of such transaction. If the Board of Directors of the Corporation determines that an adjustment to the Conversion Price should be made, an adjustment shall be made effective as of such date, as determined by the Board of Directors of the Corporation. The determination of the Board of Directors of the Corporation as to whether an adjustment to the Conversion Price should be made pursuant to the foregoing provisions of this paragraph 8(G), and, if so, as to what adjustment should be made and when, shall be final and binding on the Corporation and all stockholders of the Corporation. The Corporation shall be entitled to make such additional adjustments in the Conversion Price, in addition to those required by the foregoing provisions of this Section 8, as shall be necessary in order that any dividend or distribution in shares of capital stock of the Corporation, subdivision, reclassification or combination of shares of stock of the Corporation or any recapitalization of the Corporation shall not be taxable to the holders of the Common Stock.

(H) For purposes of this Resolution, the following definitions shall apply:

"Adjustment Period" shall mean the period of five (5) consecutive trading days preceding the date as of which the Fair Market Value of a security is to be determined.

"Business Day" shall mean each day that is not a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way on such day, or, in the event that no

sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the New York Stock Exchange Composite Tape or, if such security is not listed or admitted to trading on the NYSE, on the principal national securities exchange on which such security is listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or, if such security is not quoted on such National Market System, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on such day shall not have been reported through NASDAQ, the average of the bid and asked prices on such day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Board of Directors of the Corporation or a committee thereof.

"Extraordinary Distribution" shall mean any dividend or other distribution to holders of Common Stock (effected while any of the shares of the Series B Preferred Stock are outstanding) (i) of cash (other than a regularly scheduled quarterly dividend not exceeding 125% of the average quarterly dividend for the preceding period of 12 months), where the aggregate amount of such cash dividend or distribution together with the amount of all cash dividends and distributions made during the preceding period of 12 months (other than regularly scheduled quarterly dividends not exceeding 125% of the aggregate quarterly dividends for the preceding period of 12 months), when combined with the aggregate amount of all Pro Rata Repurchases (for this purpose, including only that portion of the aggregate purchase price of such Pro Rata Repurchase which is in excess of the Fair Market Value of the Common Stock repurchased as determined on the applicable expiration date (including all extensions thereof) of any tender offer or exchange offer which is a Pro Rata Repurchase, or the date of purchase with respect to any other Pro Rata Repurchase which is not a tender offer or exchange offer made during such period), exceeds nine percent (9%) of the aggregate Fair Market Value of all shares of Common Stock outstanding on the day before the ex-dividend date with respect to such Extraordinary Distribution which is paid in cash and on the distribution date with respect to an Extraordinary Distribution which is paid other than in cash, and the earlier of the ex-dividend date and the distribution date in the event of an Extraordinary Distribution, a portion of which is paid in cash and a portion of which is paid other than in cash, and (ii) of any shares of capital stock of the Corporation (other than shares of Common Stock), other securities of the Corporation (other than securities of the type referred to in paragraph (C) or (D) of this Section 8), evidences of indebtedness of the Corporation or any other person or any other property (including shares of any subsidiary of the Corporation) or any combination thereof. The Fair Market Value of an Extraordinary

Distribution for purposes of paragraph (E) of this Section 8 shall be equal to the sum of the Fair Market Value of such Extraordinary Distribution plus the amount of any cash dividends (other than regularly scheduled quarterly dividends not exceeding 125% of the aggregate quarterly dividends for the preceding period of 12 months) which are not Extraordinary Distributions made during such 12-month period and not previously included in the calculation of an adjustment pursuant to paragraph (E) of this Section 8.

"Fair Market Value" shall mean, as to shares of Common Stock or any other class of capital stock or securities of the Corporation or any other issuer which are publicly traded, (i) for purposes of Section 6 hereof, the Current Market Price on the date as of which the Fair Market Value is to be determined, and (ii) for all other purposes hereof, the average of the Current Market Prices of such shares or securities for each day of the Adjustment Period. The Fair Market Value of any security which is not publicly traded (other than the Series B Preferred Stock) or of any other property shall mean the fair value thereof as determined by an independent investment banking or appraisal firm experienced in the valuation of such securities or property selected in good faith by the Board of Directors of the Corporation or a committee thereof, or, if no such investment banking or appraisal firm is in the good faith judgment of the Board of Directors or such committee available to make such determination, as determined in good faith by the Board of Directors of the Corporation or such committee.

"Non-Dilutive Amount" in respect of an issuance, sale or exchange by the Corporation of any right or warrant to purchase or acquire shares of Common Stock (including any security convertible into or exchangeable for shares of Common Stock) shall mean the difference between (i) the product of the Fair Market Value of a share of Common Stock on the day preceding the first public announcement of such issuance, sale or exchange multiplied by the maximum number of shares of Common Stock which could be acquired on such date upon the exercise in full of such right or warrant (including upon the conversion or exchange of any such convertible or exchangeable security), whether or not exercisable (or convertible or exchangeable) at such date, and (ii) the aggregate amount payable pursuant to such right or warrant to purchase or acquire such maximum number of shares of Common Stock; *provided, however*, that in no event shall the Non-Dilutive Amount be less than zero. For purposes of the foregoing sentence, in the case of a security convertible into or exchangeable for shares of Common Stock, the amount payable pursuant to a right or warrant to purchase or acquire shares of Common Stock shall be the Fair Market Value of such security on the date of the issuance, sale or exchange of such security by the Corporation.

"Pro Rata Repurchase" shall mean any purchase of shares of Common Stock by the Corporation or any subsidiary thereof, whether for cash, shares of capital stock of the Corporation, other

securities of the Corporation, evidences of indebtedness of the Corporation or any other person or any other property (including shares of a subsidiary of the Corporation), or any combination thereof, effected while any of the shares of Series B Preferred Stock are outstanding, pursuant to any tender offer or exchange offer subject to Section 13(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any successor provision of law, or pursuant to any other offer available to substantially all holders of Common Stock; *provided, however*, that no purchase of shares by the Corporation or any subsidiary thereof made in open market transactions shall be deemed a Pro Rata Repurchase. For purposes of this paragraph 8 (H) shares shall be deemed to have been purchased by the Corporation or any subsidiary thereof "in open market transactions" only if they have been purchased substantially in accordance with the requirements of Rule 10b-18 as in effect under the Exchange Act, on the date shares of Series B Preferred Stock are initially issued by the Corporation or on such other terms and conditions as the Board of Directors of the Corporation or a committee thereof shall have determined are reasonably designed to prevent such purchases from having a material effect on the trading market for the Common Stock.

(I) Whenever an adjustment to the Conversion Price and the voting rights of the Series B Preferred Stock is required hereby, the Corporation shall forthwith place on file with the transfer agent for the Common Stock and the Series B Preferred Stock, and with the Secretary of the Corporation, a statement signed by two officers of the Corporation stating the adjusted Conversion Price determined as provided herein and the resulting conversion ratio, and the adjusted voting rights determined as provided herein, of the Series B Preferred Stock. Such statement shall set forth in reasonable detail such facts as shall be necessary to show the reason and the manner of computing such adjustment, including any determination of Fair Market Value involved in such computation. Promptly after each adjustment to the Conversion Price and the voting rights of the shares of the Series B Preferred Stock, the Corporation shall mail a notice thereof and of the then prevailing conversion ratio to each holder of shares of Series B Preferred Stock.

SECTION 9. *Ranking; Attributable Capital and Adequacy of Surplus; Retirement of Shares.*

(A) The Series B Preferred Stock shall rank senior to the Common Stock as to the payment of dividends and the distribution of assets on liquidation, dissolution and winding up of the Corporation and, unless otherwise provided in the Certificate of Incorporation of the Corporation, as the same may be amended, or a Certificate of Designation relating to a subsequent series of Preferred Stock of the Corporation, the Series B Preferred Stock shall rank senior to all series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding up.

(B) In addition to any vote of stockholders required by law, the vote of the holders of a majority of the outstanding shares of Series B Preferred Stock, voting as a single class, shall be required to increase the par value of the Common Stock or otherwise increase the capital of the Corporation allocable to the Common Stock for the purpose of the Delaware General Corporation Law ("DGCL") if, as a result thereof, the surplus of the Corporation for purposes of the DGCL would be less than the amount of Preferred Dividends that would accrue on the then outstanding shares of Series B Preferred Stock during the following three years.

(C) Any shares of Series B Preferred Stock acquired by the Corporation by reason of the conversion or redemption of such shares as herein provided, or otherwise so acquired, shall be retired as shares of Series B Preferred Stock and restored to the status of authorized but unissued shares of Preferred Stock of the Corporation, undesignated as to series, and may thereafter be reissued as part of a new series of such Preferred Stock as permitted by law.

SECTION 10. *Miscellaneous.*

(A) All notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon the earlier of delivery thereof if by hand delivery, by courier or by standard form of telecommunication or three (3) Business Days after the mailing thereof if sent by registered mail (unless first class mail shall be specifically permitted for such notice under the terms hereof) with postage prepaid, addressed: (i) if to the Corporation, to its office at 1030 Delta Boulevard, Hartsfield Atlanta International Airport, Atlanta, Georgia 30320 (Attention: Secretary) or to the transfer agent for the Series B Preferred Stock, or other agent of the Corporation designated as permitted hereby or (ii) if to any holder of the Series B Preferred Stock or Common Stock, as the case may be, to such holder at the address of such holder as listed in the stock record books of the Corporation (which may include the records of any transfer agent for the Series B Preferred Stock or Common Stock, as the case may be) or (iii) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

(B) The term "Common Stock" as used in this Resolution means the Corporation's Common Stock, par value \$3.00 per share, as the same exists at the date of filing of a Certificate of Designation relating to the Series B Preferred Stock or any other class of stock resulting from successive changes or reclassifications of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that, at any time as a result of an adjustment made pursuant to Section 8 hereof, the holder of any share of Series B Preferred Stock upon thereafter surrendering such shares for conversion, shall become entitled to receive any shares or other securities of the Corporation other than shares of Common Stock, the Conversion Price in respect of such other shares or securities so receivable upon conversion of Series B Preferred Stock shall thereafter be adjusted, and shall be subject to

further adjustment from time to time, in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in Section 8 hereof, and the provisions of *Sections 1 through 7, 9 and 10* hereof with respect to the Common Stock shall apply on like or similar terms to any such other shares or securities.

(C) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance or delivery of shares of Series B Preferred Stock or shares of Common Stock or other securities issued on account of Series B Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax which may be payable in respect of any transfer involved in the issuance or delivery of shares of Series B Preferred Stock or Common Stock or other securities in a name other than that in which the shares of Series B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person with respect to any such shares or securities other than a payment, to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(D) In the event that a holder of shares of Series B Preferred Stock shall not by written notice designate the name in which shares of Common Stock to be issued upon conversion of such shares should be registered or to whom payment upon redemption of shares of Series B Preferred Stock should be made or the address to which the certificate or certificates representing such shares, or such payment, should be sent, the Corporation shall be entitled to register such shares, and make such payment, in the name of the holder of such Series B Preferred Stock as shown on the records of the Corporation and to send the certificate or certificates representing such shares, or such payment, to the address of such holder shown on the records of the Corporation.

(E) Unless otherwise provided in the Certificate of Incorporation, as the same may be amended, of the Corporation, all payments in the form of dividends, distributions on voluntary or involuntary dissolution, liquidation or winding up or otherwise made upon the Series B Preferred Stock and any other stock ranking on a parity with the Series B Preferred Stock with respect to such dividend or distribution shall be pro rata, so that amounts paid per share of Series B Preferred Stock and such other stock shall in all cases bear to each other the same ratio that the required dividends, distributions or payments, as the case may be, then payable per share on the Series B Preferred Stock and such other stock bear to each other.

(F) Any determination required or permitted to be made by the Corporation's Board of Directors hereunder may be made by a committee appointed by the Corporation's Board of Directors which need not include members of the Corporation's Board of Directors.

(G) The Corporation may appoint, and from time to time discharge and change, a transfer agent for the Series B Preferred Stock. Upon any such appointment or discharge of a transfer agent, the Corporation shall send notice thereof by hand delivery, by courier, by standard form of telecommunication or by first class mail, (postage prepaid), to each holder of record of Series B Preferred Stock.

IN WITNESS WHEREOF, this certificate has been executed and attested by the undersigned this 10th day of July, 1989.

/s/ RONALD W. ALLEN

Name: *Ronald W. Allen*
Title: *Chairman of the Board
and Chief Executive
Officer*

ATTEST:

/s/ JAMES W. CALLISON

Name: *James W. Callison*
Title: *Secretary*

**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RIGHTS OF SERIES C CONVERTIBLE PREFERRED STOCK**

of

DELTA AIR LINES, INC.

Pursuant to Section 151 of the General Corporation Law
of the State of Delaware

We, Ronald W. Allen, Chairman of the Board and Chief Executive Officer, and Mary E. Raines, Corporate Secretary, of Delta Air Lines, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 103 thereof,

DO HEREBY CERTIFY:

That in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware and pursuant to Article Fourth of the Certificate of Incorporation of the Corporation and Article II, Section 2.1 of the By-Laws of the Corporation, the Board of Directors of the Corporation is authorized to issue from time to time shares of Preferred Stock, par value \$1.00 per share, in one or more series and has authorized the creation of the series of Preferred Stock hereinafter provided for and has established the voting rights thereof and authorized, in accordance with Section 141(c) of the General Corporation Law of the State of Delaware and Article IV, Section 4.5 of the By-Laws, a Special Committee of the Board of Directors to adopt, and said Special Committee has adopted, the following resolution (which includes the voting powers of such series as authorized by the Board of Directors) creating a series of 23,000 shares of Preferred Stock, par value \$1.00 per share, designated as Series C Convertible Preferred Stock, as follows:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation, par value \$1.00 per share, be and it hereby is, created and classified, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

SECTION 1. *Number of Shares and Designation.*

Twenty-three thousand (23,000) shares of the preferred stock, par value \$1.00 per share, of the Corporation are hereby constituted as a series of the preferred stock designated as Series C Convertible Preferred Stock (the "Series C Preferred Stock").

SECTION 2. *Definitions.*

For purposes of the Series C Preferred Stock, the following terms shall have the meanings indicated:

"Act" shall have the meaning set forth in paragraph (G) of Section 5 hereof.

"Board of Directors" shall mean the board of directors of the Corporation or any committee authorized by such board of directors to perform any of its responsibilities with respect to the Series C Preferred Stock.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Call Date" shall have the meaning set forth in paragraph (C) of Section 5 hereof.

"Common Stock" shall mean the common stock of the Corporation, par value \$3.00 per share.

"Constituent Person" shall have the meaning set forth in paragraph (E) of Section 7 hereof.

"Conversion Price" shall mean the conversion price per share of Common Stock for which the Series C Preferred Stock is convertible, as such Conversion Price may be adjusted pursuant to Section 7. The initial conversion price will be \$65.75 (equivalent to a conversion rate of .7605 shares of Common Stock for each 1/1,000 share of Series C Preferred Stock).

"Current Market Price" of publicly traded shares of Common Stock or any other class of capital stock or other security of the Corporation or any other issuer for any day shall mean the last reported sales price, regular way on such day, or, if no sale takes place on such day, the average of the reported closing bid and asked prices on such day, regular way, in either case as reported on the New York Stock Exchange or, if such security is not listed or admitted for trading on the New York Stock Exchange ("NYSE"), on the principal national securities exchange on which such security is listed or admitted for trading or, if not listed or admitted for trading on any national securities exchange, on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or, if such security is not quoted on such National Market System, the average of the closing bid and asked prices on such day in the over-the-counter market as reported by NASDAQ or, if bid and asked prices for such security on such day shall not have been reported through NASDAQ, the average of the bid and asked prices on such day as furnished by any NYSE member firm regularly making a market in such security selected for such purpose by the Board of Directors.

"Dividend Payment Date" shall mean the first calendar day of March, June, September and December in each year, commencing on September 1, 1992; *provided, however*, that if any Dividend Payment Date falls on any day other than a Business Day, the dividend pay-

ment due on such Dividend Payment Date shall be paid on the Business Day immediately following such Dividend Payment Date.

"Dividend Periods" shall mean quarterly dividend periods commencing on March 1, June 1, September 1 and December 1 of each year and ending on and including the day preceding the first day of the next succeeding Dividend Period (other than the initial Dividend Period, which shall commence on the Issue Date and end on and include August 31, 1992.)

"Fair Market Value" shall mean the average of the daily Current Market Prices of a share of Common Stock during the five (5) consecutive Trading Days selected by the Corporation commencing not more than 20 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex" date with respect to the issuance or distribution requiring such computation. The term "ex" date", when used with respect to any issuance or distribution, means the first day on which the Common Stock trades regular way, without the right to receive such issuance or distribution, on the exchange or in the market, as the case may be, used to determine that day's Current Market Price.

"Issue Date" shall mean the first date on which shares of Series C Preferred Stock are issued and sold.

"Junior Stock" shall mean the Common Stock, the Series A Preferred Stock and any other class or series of shares of the Corporation over which the Series C Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

"non-electing share" shall have the meaning set forth in paragraph (E) of Section 7 hereof.

"Person" shall mean any individual, firm, partnership, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Preferred Shares" shall have the meaning set forth in Section 9 hereof.

"Press Release" shall have the meaning set forth in paragraph (B) of Section 5 hereof.

"Rights" shall mean the rights of the Corporation which are issuable under the Corporation's Stockholder Rights Plan adopted on October 23, 1986, and as amended from time to time, or rights to purchase any capital stock of the Corporation under any successor shareholder rights plan or plan adopted in replacement of the Corporation's Stockholder Rights Plan.

"Securities" shall have the meaning set forth in paragraph (D)(iii) of Section 7 hereof.

"Series A Preferred Stock" shall mean the preferred stock of the Corporation, \$1.00 par value per share, designated Series A Junior Participating Preferred Stock in the Certificate of Incorporation of the Corporation.

"Series B ESOP Preferred Stock" shall mean the preferred stock of the Corporation, \$1.00 par value per share, designated Series B ESOP Convertible Preferred Stock in the Certificate of Incorporation of the Corporation.

"Series C Preferred Stock" shall have the meaning set forth in Section 1 hereof.

"set apart for payment" shall be deemed to include, without any action other than the following, the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to a declaration of dividends or other distribution by the Board of Directors, the allocation of funds to be so paid on any series or class of capital stock of the Corporation; *provided, however*, that if any funds for any class or series of Junior Stock or any class or series of stock ranking on a parity with the Series C Preferred Stock as to the payment of dividends are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series C Preferred Stock shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

"Trading Day" shall mean any day on which the securities in question are traded on the NYSE, or if such securities are not listed or admitted for trading on the NYSE, on the principal national securities exchange on which such securities are listed or admitted, or if not listed or admitted for trading on any national securities exchange, on the National Market System of the NASDAQ, or if such securities are not quoted on such National Market System, in the applicable securities market in which the securities are traded.

"Transaction" shall have the meaning set forth in paragraph (E) of Section 7 hereof.

"Transfer Agent" means First Chicago Trust Company of New York or such other agent or agents of the Corporation as may be designated by the Board of Directors as the transfer agent for the Series C Preferred Stock.

"Voting Preferred Shares" shall have the meaning set forth in Section 9 hereof.

SECTION 3. *Dividends.*

(A) The holders of shares of the Series C Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for that purpose, dividends payable in cash at the rate per annum of \$3,500.00 per share of Series C Preferred Stock. Such dividends shall be cumulative from the Issue Date, whether or not in any Dividend Period or Periods there shall be funds of the Corporation legally available for the payment of such dividends, and shall be payable quarterly, when, as and if declared by the Board of Directors, in arrears on Dividend Payment Dates, commencing on September 1, 1992. Each such dividend shall be payable in arrears to the holders of record of shares of the

Series C Preferred Stock, as they appear on the stock records of the Corporation at the close of business on such record dates, not more than 60 days preceding the payment dates thereof, as shall be fixed by the Board of Directors. Accrued and unpaid dividends for any past Dividend Periods may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date, not exceeding 45 days preceding the payment date thereof, as may be fixed by the Board of Directors.

(B) The amount of dividends payable for each full Dividend Period for the Series C Preferred Stock shall be computed by dividing the annual dividend rate by four. The amount of dividends payable for the initial Dividend Period, or any other period shorter or longer than a full Dividend Period, on the Series C Preferred Stock shall be computed on the basis of twelve 30-day months and a 360-day year. Holders of shares of Series C Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or stock, in excess of cumulative dividends, as herein provided, on the Series C Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series C Preferred Stock that may be in arrears.

(C) So long as any shares of the Series C Preferred Stock are outstanding, no dividends, except as described in the next succeeding sentence, shall be declared or paid or set apart for payment on any class or series of stock of the Corporation ranking, as to dividends and amounts distributable upon liquidation, dissolution or winding up, on a parity with the Series C Preferred Stock, for any period unless full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series C Preferred Stock for all Dividend Periods terminating on or prior to the date of payment of the dividend on such class or series of parity stock. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, all dividends declared upon shares of the Series C Preferred Stock and all dividends declared upon any other class or series of stock ranking on a parity as to dividends and amounts distributable upon liquidation, dissolution or winding up shall be declared ratably in proportion to the respective amounts of dividends accumulated and unpaid on the Series C Preferred Stock and accumulated and unpaid on such parity stock.

(D) So long as any shares of the Series C Preferred Stock are outstanding, no dividends (other than (i) the Rights and (ii) dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, Junior Stock) shall be declared or paid or set apart for payment or other distribution declared or made upon Junior Stock, nor shall any Junior Stock be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of an employee incentive or benefit plan of the Corporation or any subsidiary) for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any shares of any such stock) by the Corporation, directly or indirectly (except

by conversion into or exchange for Junior Stock), unless in each case (i) the full cumulative dividends on all outstanding shares of the Series C Preferred Stock and any other stock of the Corporation ranking on a parity with the Series C Preferred Stock, as to dividends and amounts distributable upon liquidation, dissolution or winding up shall have been paid or set apart for payment for all past Dividend Periods with respect to the Series C Preferred Stock and all past dividend periods with respect to such parity stock and (ii) sufficient funds shall have been paid or set apart for the payment of the dividend for the current Dividend Period with respect to the Series C Preferred Stock and the current dividend period with respect to such parity stock.

SECTION 4. *Liquidation Preference.*

(A) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Stock, the holders of the shares of Series C Preferred Stock shall be entitled to receive Fifty Thousand Dollars (\$50,000.00) per share of Series C Preferred Stock plus an amount equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of Series C Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of stock ranking, as to dividends and liquidation, dissolution or winding up, on a parity with the Series C Preferred Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of shares of Series C Preferred Stock and any such other parity stock ratably in accordance with the respective amounts that would be payable on such shares of Series C Preferred Stock and any such other stock if all amounts payable thereon were paid in full. For the purposes of this Section 4, (i) a consolidation or merger of the Corporation with one or more corporations, or (ii) a sale or transfer of all or substantially all of the Corporation's assets, shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(B) Subject to the rights of the holders of shares of any series or class or classes of stock ranking on a parity with or prior to the Series C Preferred Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series C Preferred Stock, as provided in this Section 4, any other series or class or classes of Junior Stock shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series C Preferred Stock shall not be entitled to share therein.

SECTION 5. *Redemption at the Option of the Corporation.*

(A) The Series C Preferred Stock shall not be redeemable by the Corporation prior to the third anniversary of the Issue Date. On and after the third anniversary of the Issue Date, the Corporation, at its option, may redeem the shares of Series C Preferred Stock, in whole or in part, as set forth herein, subject to the provisions described below.

(B) The Series C Preferred Stock may be redeemed, in whole or in part, at the option of the Corporation, at any time, only if for 20 Trading Days, within any period of 30 consecutive Trading Days, including the last Trading Day of such period, the Current Market Price of the Common Stock on each of such 20 Trading Days exceeds 124.9049% of the Conversion Price in effect on such Trading Day. In order to exercise its redemption option, the Corporation must issue a press release announcing the redemption (the "Press Release") prior to the opening of business on the second Trading Day after the condition in the preceding sentence has been met. The Corporation may not issue a Press Release prior to the third anniversary of the Issue Date. The Press Release shall announce the redemption and set forth the number of shares of Series C Preferred Stock which the Corporation intends to redeem. The Call Date shall be selected by the Corporation, shall be specified in the notice of redemption and shall be not less than 30 days or more than 60 days after the date on which the Corporation issues the Press Release.

(C) Upon redemption of Series C Preferred Stock by the Corporation on the date specified in the notice to holders required under paragraph (E) of this Section 5 (the "Call Date"), each share of Series C Preferred Stock so redeemed shall be converted into a number of shares of Common Stock equal to the liquidation preference of the shares of Series C Preferred Stock being redeemed divided by the Conversion Price as of the opening of business on the Call Date.

Upon any redemption of Series C Preferred Stock, the Corporation shall pay any accrued and unpaid dividends in arrears for any Dividend Period ending on or prior to the Call Date. If a Call Date falls after a dividend payment record date and prior to the corresponding dividend payment date, then each holder of Series C Preferred Stock at the close of business on such dividend payment record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. In the case of any Call Date occurring prior to the record date for the September 1, 1995 Dividend Payment Date, the holders of the Series C Preferred Stock to be redeemed on such Call Date shall be entitled to any accrued and unpaid dividends through the third anniversary of the Issue Date but not thereafter. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of Series C Preferred Stock called for redemption or on the shares of Common Stock issued upon such redemption.

(D) If full cumulative dividends on the Series C Preferred Stock and any other class or series of stock of the Corporation ranking, as to dividends and amounts distributable on liquidation, dissolution or winding

up, on a parity with the Series C Preferred Stock have not been paid or declared and set apart for payment, the Series C Preferred Stock may not be redeemed in part and the Corporation may not purchase or acquire shares of Series C Preferred Stock, otherwise than pursuant to a purchase or exchange offer made on the same terms to all holders of shares of Series C Preferred Stock.

(E) If the Corporation shall redeem shares of Series C Preferred Stock pursuant to paragraph (A) of this Section 5, notice of such redemption shall be given not more than four Business Days after the date on which the Corporation issues the Press Release, to each holder of record of the shares to be redeemed. Such notice shall be provided by first class mail, postage prepaid, at such holder's address as the same appears on the stock records of the Corporation, or by publication in *The Wall Street Journal* or *The New York Times*, or if neither such newspaper is then being published, any other daily newspaper of national circulation. If the Corporation elects to provide such notice by publication, it shall also promptly mail notice of such redemption to the holders of the Series C Preferred Stock to be redeemed. Neither the failure to mail any notice required by this paragraph (E), nor any defect therein or in the mailing thereof, to any particular holder, shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the notice. Each such mailed or published notice shall state, as appropriate: (1) the Call Date; (2) the number of shares of Series C Preferred Stock (expressed in 1/1,000 of a share of Series C Preferred Stock) to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares (expressed in 1/1,000 of a share of Series C Preferred Stock) to be redeemed from such holder; (3) the number of shares of Common Stock to be issued with respect to each 1/1,000 of a share of Series C Preferred Stock; (4) the place or places at which certificates for such shares are to be surrendered for certificates representing shares of Common Stock; (5) the then-current Conversion Price; and (6) that dividends on the shares to be redeemed shall cease to accrue on such Call Date, except as otherwise provided herein. Notice having been published or mailed as aforesaid, from and after the Call Date (unless the Corporation shall fail to make available a number of shares of Common Stock or amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the shares of the Series C Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series C Preferred Stock of the Corporation shall cease (except the rights to receive the shares of Common Stock and cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon). The Corporation's obligation to provide shares of Common Stock and cash in accordance with the preceding sentence shall be deemed fulfilled if, on or before the Call Date, the

Corporation shall deposit with a bank or trust company (which may be an affiliate of the Corporation) that has an office in the Borough of Manhattan, City of New York, and that has, or is an affiliate of a bank or trust company that has, a capital and surplus of at least \$50,000,000, shares of Common Stock and any cash necessary for such redemption, in trust, with irrevocable instructions that such shares of Common Stock and cash be applied to the redemption of the shares of Series C Preferred Stock so called for redemption. At the close of business on the Call Date, each holder of Series C Preferred Stock to be redeemed (unless the Company defaults in the delivery of the shares of Common Stock or cash payable on such Call Date) shall be deemed to be the record holder of the number of shares of Common Stock into which such Series C Preferred Stock is to be redeemed, regardless of whether such holder has surrendered the certificates representing the Series C Preferred Stock. No interest shall accrue for the benefit of the holders of Series C Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of two years from the Call Date shall revert to the general funds of the Corporation, after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

As promptly as practicable after the surrender in accordance with said notice of the certificates for any such shares so redeemed (properly endorsed or assigned for transfer, if the Corporation shall so require and the notice shall so state), such shares shall be exchanged for certificates of shares of Common Stock and any cash (without interest thereon) for which such shares have been redeemed. If fewer than all the outstanding shares of Series C Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares of Series C Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

(F) No fractional shares or scrip representing fractions of shares of Common Stock shall be issued upon redemption of the Series C Preferred Stock. Instead of any fractional interest in a share of Common Stock that would otherwise be deliverable upon the redemption of a share of Series C Preferred Stock, the Corporation shall pay to the holder of such share an amount in cash (computed to the nearest cent) based upon the Current Market Price of Common Stock on the Trading Day immediately preceding the Call Date. If more than one share shall be surrendered for redemption at one time by the same holder, the number of full shares of Common Stock issuable upon redemption thereof shall be computed on the basis of the aggregate number of shares of Series C Preferred Stock so surrendered.

(G) The Corporation covenants that any shares of Common Stock issued upon redemption of the Series C Preferred Stock shall be validly issued, fully paid and non-assessable. The Corporation shall endeavor to list the shares of Common Stock required to be delivered upon redemption

of the Series C Preferred Stock, prior to such redemption, upon each national securities exchange, if any, upon which the outstanding Common Stock is listed at the time of such delivery.

The Corporation shall endeavor to take any action necessary to ensure that any shares of Common Stock issued upon the redemption of Series C Preferred Stock are freely transferable and not subject to any resale restrictions under the Securities Act of 1933, as amended (the "Act"), or any applicable state securities or blue sky laws (other than any shares of Common Stock issued upon redemption of any Series C Preferred Stock which are held by an "affiliate" (as defined in Rule 144 under the Act) of the Corporation).

SECTION 6. *Shares to Be Retired.*

All shares of Series C Preferred Stock which shall have been issued and reacquired in any manner by the Corporation (excluding, until the Corporation elects to retire them, shares which are held as treasury shares) shall be restored to the status of authorized but unissued shares of preferred stock, without designation as to series.

SECTION 7. *Conversion.*

Holders of shares of Series C Preferred Stock shall have the right to convert all or a portion of such shares into shares of Common Stock, as follows:

(A) Subject to and upon compliance with the provisions of this Section 7, a holder of shares of Series C Preferred Stock shall have the right, at his or her option, at any time, to convert such shares into the number of fully paid and nonassessable shares of Common Stock obtained by dividing the aggregate liquidation preference of such shares by the Conversion Price (as in effect at the time and on the date provided for in the last paragraph of paragraph (B) of this Section 7) by surrendering such shares to be converted, such surrender to be made in the manner provided in paragraph (B) of this Section 7; *provided, however*, that the right to convert shares called for redemption pursuant to Section 5 shall terminate at the close of business on the Call Date fixed for such redemption, unless the Corporation shall default in making payment of the shares of Common Stock and any cash payable upon such redemption under Section 5 hereof. Any share of Series C Preferred Stock may be converted, at the request of its holder, in part into Common Stock. If a part of a share of Series C Preferred Stock is converted, then the Corporation will convert such share into the requested shares of Common Stock (subject to paragraph (C) of this Section 7) and issue a fractional share of Series C Preferred Stock evidencing the remaining interest of such holder.

(B) In order to exercise the conversion right, the holder of each share of Series C Preferred Stock to be converted shall surrender the certificate representing such share, duly endorsed or assigned to the Corporation or in blank, at the office of the Transfer Agent in the Borough of Manhattan,

City of New York, accompanied by written notice to the Corporation that the holder thereof elects to convert Series C Preferred Stock or a specified portion thereof. Unless the shares issuable on conversion are to be issued in the same name as the name in which such share of Series C Preferred Stock is registered, each share surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation, duly executed by the holder or such holder's duly authorized attorney and an amount sufficient to pay any transfer or similar tax (or evidence reasonably satisfactory to the Corporation demonstrating that such taxes have been paid).

Holders of shares of Series C Preferred Stock at the close of business on a dividend payment record date shall be entitled to receive the dividend payable on such shares on the corresponding dividend payment date notwithstanding the conversion thereof following such dividend payment record date and prior to such dividend payment date. However, shares of Series C Preferred Stock surrendered for conversion during the period between the close of business on any dividend payment record date and the opening of business on the corresponding dividend payment date (except shares converted after the issuance of a notice of redemption with respect to a Call Date during such period, which shall be entitled to such dividend on the dividend payment date) must be accompanied by payment of an amount equal to the dividend payable on such shares on such dividend payment date. A holder of shares of Series C Preferred Stock on a dividend payment record date who (or whose transferee) tenders any such shares for conversion into shares of Common Stock on such dividend payment date will receive the dividend payable by the Corporation on such shares of Series C Preferred Stock on such date, and the converting holder need not include payment of the amount of such dividend upon surrender of shares of Series C Preferred Stock for conversion. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends on the shares of Common Stock issued upon such conversion.

As promptly as practicable after the surrender of certificates for shares of Series C Preferred Stock as aforesaid, the Corporation shall issue and shall deliver at such office to such holder, or on his or her written order, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such shares in accordance with provisions of this Section 7, and any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled as provided in paragraph (C) of this Section 7.

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates for shares of Series C Preferred Stock shall have been surrendered and such notice (and if applicable, payment of an amount equal to the dividend payable on such shares) received by the Corporation as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented

thereby at such time on such date and such conversion shall be at the Conversion Price in effect at such time on such date, unless the stock transfer books of the Corporation shall be closed on that date, in which event such person or persons shall be deemed to have become such holder or holders of record at the close of business on the next succeeding day on which such stock transfer books are open, but such conversion shall be at the Conversion Price in effect on the date upon which such shares shall have been surrendered and such notice received by the Corporation.

(C) No fractional shares or scrip representing fractions of shares of Common Stock shall be issued upon conversion of the Series C Preferred Stock. Instead of any fractional interest in a share of Common Stock that would otherwise be deliverable upon the conversion of a share of Series C Preferred Stock, the Corporation shall pay to the holder of such share an amount in cash based upon the Current Market Price of Common Stock on the Trading Day immediately preceding the date of conversion. If more than one share shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series C Preferred Stock so surrendered.

(D) The Conversion Price shall be adjusted from time to time as follows:

(i) If the Corporation shall after the Issue Date (A) pay a dividend or make a distribution on its capital stock in shares of its Common Stock, (B) subdivide its outstanding Common Stock into a greater number of shares, (C) combine its outstanding Common Stock into a smaller number of shares or (D) issue any shares of capital stock by reclassification of its Common Stock, the Conversion Price in effect at the opening of business on the day next following the date fixed for the determination of stockholders entitled to receive such dividend or distribution or at the opening of business on the day next following the day on which such subdivision, combination or reclassification becomes effective, as the case may be, shall be adjusted so that the holder of any share of Series C Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock that such holder would have owned or have been entitled to receive after the happening of any of the events described above had such share been converted immediately prior to the record date in the case of a dividend or distribution or the effective date in the case of a subdivision, combination or reclassification. An adjustment made pursuant to this subparagraph (i) shall become effective immediately after the opening of business on the day next following the record date (except as provided in paragraph (H) below) in the case of a dividend or distribution and shall become effective immediately after the opening of business on the day next following the effective date in the case of a subdivision, combination or reclassification.

(ii) If the Corporation shall issue after the Issue Date rights or warrants (in each case, other than the Rights) to all holders of Common Stock entitling them (for a period expiring within 45 days after

the record date mentioned below) to subscribe for or purchase Common Stock at a price per share less than the Fair Market Value per share of Common Stock on the record date for the determination of stockholders entitled to receive such rights or warrants, then the Conversion Price in effect at the opening of business on the day next following such record date shall be adjusted to equal the price determined by multiplying (I) the Conversion Price in effect immediately prior to the opening of business on the day next following the date fixed for such determination by (II) a fraction, the numerator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the date fixed for such determination and (B) the number of shares that the aggregate proceeds to the Corporation from the exercise of such rights or warrants for Common Stock would purchase at such Fair Market Value, and the denominator of which shall be the sum of (A) the number of shares of Common Stock outstanding on the close of business on the date fixed for such determination and (B) the number of additional shares of Common Stock offered for subscription or purchase pursuant to such rights or warrants. Such adjustment shall become effective immediately after the opening of business on the day next following such record date (except as provided in paragraph (H) below). In determining whether any rights or warrants entitle the holders of Common Stock to subscribe for or purchase shares of Common Stock at less than such Fair Market Value, there shall be taken into account any consideration received by the Corporation upon issuance and upon exercise of such rights or warrants, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(iii) If the Corporation shall distribute to all holders of its Common Stock any shares of capital stock of the Corporation (other than Common Stock) or evidences of its indebtedness or assets (excluding cash dividends or distributions paid from profits or surplus of the Corporation) or rights or warrants (in each case, other than the Rights) to subscribe for or purchase any of its securities (excluding those rights and warrants issued to all holders of Common Stock entitling them for a period expiring within 45 days after the record date referred to in subparagraph (ii) above to subscribe for or purchase Common Stock, which rights and warrants are referred to in and treated under subparagraph (ii) above) (any of the foregoing being hereinafter in this subparagraph (iii) called the "Securities"), then in each such case the Conversion Price shall be adjusted so that it shall equal the price determined by multiplying (I) the Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by (II) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Stock on the record date mentioned below less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the capital stock or assets or evidences of indebtedness so distributed or of such

rights or warrants applicable to one share of Common Stock, and the denominator of which shall be the Fair Market Value per share of the Common Stock on the record date mentioned below. Such adjustment shall become effective immediately at the opening of business on the Business Day next following (except as provided in paragraph (H) below) the record date for the determination of shareholders entitled to receive such distribution. For the purposes of this clause (iii), the distribution of a Security, which is distributed not only to the holders of the Common Stock on the date fixed for the determination of stockholders entitled to such distribution of such Security, but also is distributed with each share of Common Stock delivered to a person converting a share of Series C Preferred Stock after such determination date, shall not require an adjustment of the Conversion Price pursuant to this clause (iii); provided that on the date, if any, on which a Person converting a share of Series C Preferred Stock would no longer be entitled to receive such Security with a share of Common Stock (other than as a result of the termination of all such Securities), a distribution of such Securities shall be deemed to have occurred and the Conversion Price shall be adjusted as provided in this clause (iii) (and such day shall be deemed to be "the date fixed for the determination of the stockholders entitled to receive such distribution" and "the record date" within the meaning of the two preceding sentences).

(iv) No adjustment in the Conversion Price shall be required unless such adjustment would require a cumulative increase or decrease of at least 1% in such price; *provided, however*, that any adjustments that by reason of this subparagraph (iv) are not required to be made shall be carried forward and taken into account in any subsequent adjustment until made; and *provided, further*, that any adjustment shall be required and made in accordance with the provisions of this Section 7 (other than this subparagraph (iv)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of shares of Common Stock. Notwithstanding any other provisions of this Section 7, the Corporation shall not be required to make any adjustment of the Conversion Price for the issuance of any shares of Common Stock pursuant to any plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and the investment of additional optional amounts in shares of Common Stock under such plan. All calculations under this Section 7 shall be made to the nearest 1/100 of a cent (with \$.00005 being rounded upward) or to the nearest 1/10,000 of a share (with .00005 of a share being rounded upward), as the case may be. Anything in this paragraph (D) to the contrary notwithstanding, the Corporation shall be entitled, to the extent permitted by law, to make such reductions in the Conversion Price, in addition to those required by this paragraph (D), as it in its discretion shall determine to be advisable in order that any stock dividends, subdivision of shares, reclassification or combination of shares, distribution of rights or warrants to purchase stock or securities, or a

distribution of other assets (other than cash dividends) hereafter made by the Corporation to its stockholders shall not be taxable.

(E) If the Corporation shall be a party to any transaction (including without limitation a merger, consolidation, sale of all or substantially all of the Corporation's assets or recapitalization of the Common Stock and excluding any transaction as to which subparagraph (D)(i) of this Section 7 applies) (each of the foregoing being referred to herein as a "Transaction"), in each case as a result of which shares of Common Stock shall be converted into the right to receive stock, securities or other property (including cash or any combination thereof), each share of Series C Preferred Stock which is not converted into the right to receive stock, securities or other property in connection with such Transaction shall thereafter be convertible into the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of shares or fraction thereof of Common Stock into which one share of Series C Preferred Stock was convertible immediately prior to such Transaction, assuming such holder of Common Stock (i) is not a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be ("Constituent Person"), or an affiliate of a Constituent Person and (ii) failed to exercise his rights of election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (provided that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each share of Common Stock of the Corporation held immediately prior to such Transaction by other than a Constituent Person or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this paragraph (E) the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each non-electing share shall be deemed to be the kind and amount so receivable per share by a plurality of the non-electing shares). The Corporation shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this paragraph (E) and it shall not consent or agree to the occurrence of any Transaction until the Corporation has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Series C Preferred Stock that will contain provisions enabling the holders of the Series C Preferred Stock that remains outstanding after such Transaction to convert into the consideration received by holders of Common Stock at the Conversion Price in effect immediately prior to such Transaction. The provisions of this paragraph (E) shall similarly apply to successive Transactions.

(F) If:

(i) the Corporation shall declare a dividend (or any other distribution) on the Common Stock (other than in cash out of profits or surplus and other than the Rights); or

(ii) the Corporation shall authorize the granting to the holders of the Common Stock of rights or warrants (other than the Rights) to subscribe for or purchase any shares of any class or any other rights or warrants (other than the Rights); or

(iii) there shall be any reclassification of the Common Stock (other than an event to which subparagraph (D)(i) of this Section 7 applies) or any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or the sale or transfer of all or substantially all of the assets of the Corporation as an entirety; or

(iv) there shall occur the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, then the Corporation shall cause to be filed with the Transfer Agent and shall cause to be mailed to the holders of shares of the Series C Preferred Stock at their addresses as shown on the stock records of the Corporation, as promptly as possible, but at least 15 days prior to the applicable date hereinafter specified, a notice stating (A) the date on which a record is to be taken for the purpose of such dividend, distribution or rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights or warrants are to be determined or (B) the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up. Failure to give or receive such notice or any defect therein shall not affect the legality or validity of the proceedings described in this Section 7.

(G) Whenever the Conversion Price is adjusted as herein provided, the Corporation shall promptly file with the Transfer Agent an officer's certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment which certificate shall be prima facie evidence of the correctness of such adjustment. Promptly after delivery of such certificate, the Corporation shall prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price and the effective date of such adjustment and shall mail such notice of such adjustment of the Conversion Price to the holder of each share of Series C Preferred Stock at such holder's last address as shown on the stock records of the Corporation.

(H) In any case in which paragraph (D) of this Section 7 provides that an adjustment shall become effective on the day next following a record date for an event, the Corporation may defer until the occurrence of such event (A) issuing to the holder of any share of Series C Preferred Stock converted after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such

adjustment and (B) paying to such holder any amount in cash in lieu of any fraction pursuant to paragraph (C) of this Section 7.

(I) For purposes of this Section 7, the number of shares of Common Stock at any time outstanding shall not include any shares of Common Stock then owned or held by or for the account of Corporation. The Corporation shall not pay a dividend or make any distribution on shares of Common Stock held in the treasury of the Corporation.

(J) There shall be no adjustment of the Conversion Price in case of the issuance of any stock of the Corporation in a reorganization, acquisition or other similar transaction except as specifically set forth in this Section 7. If any action or transaction would require adjustment of the Conversion Price pursuant to more than one paragraph of this Section 7, only one adjustment shall be made and such adjustment shall be the amount of adjustment that has the highest absolute value.

(K) If the Corporation shall take any action affecting the Common Stock, other than action described in this Section 7, that in the opinion of the Board of Directors would materially adversely affect the conversion rights of the holders of the shares of Series C Preferred Stock, the Conversion Price for the Series C Preferred Stock may be adjusted, to the extent permitted by law, in such manner, if any, and at such time, as the Board of Directors may determine to be equitable in the circumstances.

(L) The Corporation covenants that it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Common Stock or its issued shares of Common Stock held in its treasury, or both, for the purpose of effecting conversion of the Series C Preferred Stock, the full number of shares of Common Stock deliverable upon the conversion of all outstanding shares of Series C Preferred Stock not theretofore converted. For purposes of this paragraph (L), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Series C Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder.

The Corporation covenants that any shares of Common Stock issued upon conversion of the Series C Preferred Stock shall be validly issued, fully paid and non-assessable. Before taking any action that would cause an adjustment reducing the Conversion Price below the then-par value of the shares of Common Stock deliverable upon conversion of the Series C Preferred Stock, the Corporation will take any corporate action that, in the opinion of its counsel, may be necessary in order that the Corporation may validly and legally issue fully-paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

The Corporation shall endeavor to list the shares of Common Stock required to be delivered upon conversion of the Series C Preferred Stock, prior to such delivery, upon each national securities exchange, if any, upon which the outstanding Common Stock is listed at the time of such delivery.

Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series C Preferred Stock, the Corporation shall endeavor to comply with all federal and state laws and

regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(M) The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock or other securities or property on conversion of the Series C Preferred Stock pursuant hereto; *provided, however*, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock or other securities or property in a name other than that of the holder of the Series C Preferred Stock to be converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or established, to the reasonable satisfaction of the Corporation, that such tax has been paid.

SECTION 8. *Ranking.*

Any class or series of stock of the Corporation shall be deemed to rank:

(A) prior to the Series C Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in preference or priority to the holders of Series C Preferred Stock;

(B) on a parity with the Series C Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series C Preferred Stock, if such stock or series shall be the Series B ESOP Preferred Stock or if the holders of such class of stock or series and the Series C Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other; and

(C) junior to the Series C Preferred Stock, as to the payment of dividends or as to the distribution of assets upon liquidation, dissolution or winding up, if such stock or series shall be Common Stock or Series A Preferred Stock or if the holders of Series C Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up in preference or priority to the holders of shares of such stock or series.

SECTION 9. *Voting.*

If and whenever six quarterly dividends (whether or not consecutive) payable on the Series C Preferred Stock shall be in arrears (which shall, with respect to any such quarterly dividend, mean that any such dividend has not been paid in full), whether or not earned or declared, the number of directors then constituting the Board of Directors shall be increased by two and the holders of shares of Series C Preferred Stock, together with the holders of shares of every other series of preferred stock other than Series A Preferred Stock upon which like rights to vote for the election of two additional directors have been conferred and are exercisable (any such other series other than the Series A Preferred Stock, the "Preferred Shares"), voting as a single class regardless of series, shall be entitled to elect the two additional directors to serve on the Board of Directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of the Series C Preferred Stock and the Preferred Shares called as hereinafter provided. Whenever all arrears in dividends on the Series C Preferred Stock and the Preferred Shares then outstanding shall have been paid and dividends thereon for the current quarterly dividend period shall have been paid or declared and set apart for payment, then the right of the holders of the Series C Preferred Stock and the Preferred Shares to elect such additional two directors shall cease (but subject always to the same provisions for the vesting of such voting rights in the case of any similar future arrearages in six quarterly dividends), and the terms of office of all persons elected as directors by the holders of the Series C Preferred Stock and the Preferred Shares shall forthwith terminate and the number of the Board of Directors shall be reduced accordingly. At any time after such voting power shall have been so vested in the holders of shares of Series C Preferred Stock and the Preferred Shares, the secretary of the Corporation may, and upon the written request of any holder of Series C Preferred Stock (addressed to the secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series C Preferred Stock and of the Preferred Shares for the election of the two directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the By-Laws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the secretary within 20 days after receipt of any such request, then any holder of shares of Series C Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the stock books of the Corporation. The directors elected at any such special meeting shall hold office until the next annual meeting of the stockholders or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series C Preferred Stock and the Preferred Shares, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the holders of the Series C Preferred Stock and the Preferred Shares or the successor of such remaining director, to serve until the next annual meeting of the

stockholders or special meeting held in place thereof if such office shall not have previously terminated as provided above.

So long as any shares of Series C Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Certificate of Incorporation, the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes entitled to be cast by the holders of the shares of Series C Preferred Stock and of all other series of preferred stock upon which like rights to vote upon the matters specified herein have been conferred and are exercisable (any such other series, the "Voting Preferred Shares"), at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(A) Any amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation that materially adversely affects the voting powers, rights or preferences of the holders of the Series C Preferred Stock or the Voting Preferred Shares; *provided, however,* that the amendment of the provisions of the Certificate of Incorporation so as to authorize or create, or to increase the authorized amount of, any Junior Stock or any shares of any class ranking on a parity with the Series C Preferred Stock or the Voting Preferred Shares shall not be deemed to materially adversely affect the voting powers, rights or preferences of the holders of Series C Preferred Stock; and *provided further,* that if any such amendment, alteration or repeal would materially adversely affect any voting powers, rights or preferences of the Series C Preferred Stock or another series of Voting Preferred Shares that are not enjoyed by some or all of the other series otherwise entitled to vote in accordance herewith, the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes entitled to be cast by the holders of all series similarly affected, similarly given, shall be required in lieu of the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes entitled to be cast by the holders of the shares of Series C Preferred Stock and the Voting Preferred Shares otherwise entitled to vote in accordance herewith; or

(B) The authorization or creation of, or the increase in the authorized amount of, any shares of any class or any security convertible into shares of any class ranking prior to the Series C Preferred Stock in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends;

provided, however, that no such vote of the holders of Series C Preferred Stock shall be required if, at or prior to the time when such amendment, alteration or repeal is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, provision is made for the redemption of all shares of Series C Preferred Stock at the time outstanding.

For purposes of the foregoing provisions of this Section 9, each share of Series C Preferred Stock shall have one (1) vote per share, except that when any other series of preferred stock shall have the right to vote with the Series C Preferred Stock as a single class on any matter, then the Series C

Preferred Stock and such other series shall have with respect to such matters one (1) vote per \$50.00 of stated liquidation preference. Except as otherwise required by applicable law or as set forth herein, the shares of Series C Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers and the consent of the holders thereof shall not be required for the taking of any corporate action.

SECTION 10. *Record Holders.*

The Corporation and the Transfer Agent may deem and treat the record holder of any shares of Series C Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be made under the seal of the Corporation and signed and attested by its duly authorized officers this 30th day of June, 1992.

DELTA AIR LINES, INC.

/s/ RONALD W. ALLEN

*Ronald W. Allen
Chairman of the Board
and Chief Executive Officer*

(Corporate Seal)

ATTEST:

/s/ MARY E. RAINES

*Mary E. Raines
Corporate Secretary*